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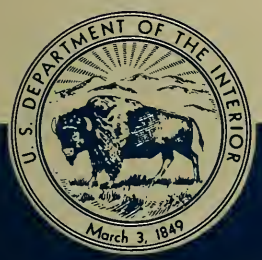
1957 Annual Report

THE GOVERNOR OF

Hawaii

TO THE SECRETARY OF THE INTERIOR

For the Fiscal Year Ended June 30, 1957



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UNITED STATES
DEPARTMENT OF THE INTERIOR
FRED A. SEATON, *Secretary*

TERRITORY OF HAWAII
Samuel Wilder King, *Governor*

UNITED STATES GOVERNMENT PRINTING OFFICE, WASHINGTON, D. C.

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Annual Report of the Governor of Hawaii

Samuel Wilder King, *Governor*

THE EXECUTIVE

THE FISCAL YEAR ended June 30, 1957, was a period of continuing progress for the Administration. The main objectives toward which this Administration has been working for the past 4 years were brought closer to fulfilment.

(*a*) Statehood for Hawaii remains a goal of first importance. It is receiving wider attention and general support throughout the Nation.

Witnesses from Hawaii appeared before congressional committees in Washington to urge enactment of statehood legislation. The Senate Committee on Interior and Insular Affairs has reported out favorably the statehood bill, which awaits action by the Senate in the next session. Statehood legislation in the House of Representatives was under committee consideration.

(*b*) The development of Hawaii's economy was stepped up considerably. This subject is discussed under the heading "Economy of Hawaii."

(*c*) Vigorous efforts were continued for opening up more public lands for homesites and agricultural use. Largest public land sale was the auction of 121 choice house lots in the Diamond Head subdivision. The sale grossed the Territory more than $2,600,000.

(*d*) A high level of stability in labor relations was attained. Labor disruptions of any major significance were relatively few. New records in employment were registered.

(*e*) The Administration, by instituting an economy program, made general fund savings totaling $3,735,445. Of this amount, $2,548,165 represented contributions to the mandated savings program of $1,500,000 directed by the Legislature and $1,187,280 represented unrequired balances of appropriations which were lapsed. The Administration's economy program slowed the trend of increasing expenditures.

(*f*) The Administration continued its efforts to combat the influence of Communist elements in the community.

The United States Senate Internal Security Subcommittee conducted hearings in Honolulu on Communist activities in Hawaii.

The Territorial Commission on Subversive Activities was forced to close its office and suspend operations on August 31, 1956, as the result of a sharp reduction of its appropriation by the 28th Legislature. Funds were provided by the 29th Legislature and the staff resumed operations in May 1957.

THE LEGISLATURE

The Governor convened the 28th Legislature in special session on September 17, 1956, in order to give the Legislature an opportunity to enact legislation granting government employees a pay raise identical to that originally anticipated by Act 276, Session Laws of Hawaii, 1955. Act 276 was declared invalid by the Territorial Supreme Court because of an error in the title of the pay bill.

Twenty-ninth Legislature.—The regular session of the 29th Legislature was convened on February 20, 1957. The Legislature adjourned after the normal 60-day session, with an extension of 3 additional working days granted by the Governor.

The Governor was presented with an omnibus tax bill that he considered unacceptable. The Legislature having already adjourned, the Governor was not in a position to return the bill with his objections, following the procedure of a normal veto.

To record his disapproval, the Governor pocket vetoed the tax bill and called the Legislature back into special session to reconsider the revenue measure.

The Legislature met and reenacted substantially the same measure the Governor had previously pocket vetoed.

The Governor returned the bill with his objections. The Legislature then overrode his veto and the omnibus tax bill became law.

Disposition of bills and joint resolutions introduced before the 29th Legislature

	Number introduced	Filed in Senate [a]	Filed in House [a]	Vetoed	Pocket vetoed	Enacted
A. Regular session:						
Senate bills	966	752	53	3	17	141
Senate joint resolutions	92	67	6	0	1	18
Total	1,058	819	59	3	18	159
House bills	1,245	88	961	[b] 4	11	181
House joint resolutions	110	19	57	2	1	31
Total	1,355	107	1,018	6	12	212
Grand total	2,413	926	1,077	9	30	371
B. Special session:						
Senate bills	2	1	0	[c] 0	0	1
House bills	2	0	1	0	0	1
Total	4	1	1	0	0	2

[a] Also includes measures which were tabled or which failed of passage.
[b] Excludes 1 veto which was overridden by the Legislature and 1 item veto.
[c] Act 1 (omnibus tax bill) was vetoed and the veto overridden.

THE JUDICIARY

	Cases disposed of	Cases pending
Supreme Court of the Territory of Hawaii	111	76
Circuit courts:		
First Circuit (7 divisions)	6,144	4,753
Second Circuit	633	208
Third Circuit	1,505	821
Fifth Circuit	595	343
District courts:		
First Circuit (8 districts)	132,964	1,562
Second Circuit (6 districts)	3,687	92
Third Circuit (9 districts)	8,415	89
Fifth Circuit (5 districts)	1,075	25

ECONOMY OF HAWAII

Hawaii's economy has continued to grow over the past year. Personal income exceeded $1 billion for the first time during the postwar period. Hawaii's gross Territorial product stands at approximately $1,250 million.

The expenditures of the Federal Government and the production of sugar and pineapple continue to be the principal sources of income. The tourist industry expanded beyond the anticipations of previous years and the rapid growth of this industry has increased its importance as a source of income.

The Administration has actively pursued a broad program of research and development to meet the needs of an expanding population.

Many extensive economic studies were made on various facets of the Hawaiian economy, including studies on land use, development of interisland surface transportation facilities, and the Government's role in encouraging the expansion of the tourist industry.

The Territory's Economic Planning and Coordination Authority has continued its efforts to encourage new and expanded industry in Hawaii. A new Territorial Planning Office was established by the last Legislature with the prime functions of overall land planning and coordination of capital improvements.

The Administration has actively sought the transfer to the Territory of federally held public lands for commercial, industrial, and agricultural uses. It has also encouraged major private landholders to make more land available for such purposes.

Active support was given to the expansion of credit facilities necessary for the creation and expansion of small-business enterprise. A Honolulu office of the Small Business Administration was opened in August 1956 and enabling legislation was passed in 1957 permitting the establishment of development credit corporations.

The Armed Forces are still Hawaii's biggest source of income. In 1956 military expenditures totaled $285 million, an increase of $13 million over 1955.

Sugar production in 1956, while below the record level of 1955, was still the second highest year in the history of the industry. Sales in 1956 totaled $144 million, about $1 million below the record year 1955. Production of 564,914 tons for the first 6 months of 1957 was an all-time high for the industry. This output was 21 percent over comparable 1956 levels and 4 percent over record 1955 levels.

There is a continued downward trend in total sugar employment resulting from increased mechanization.

Despite increased foreign competition the basic competitive strength of the pineapple industry is strong and the long-term outlook appears favorable. The introduction of new pineapple products and increases in exports to foreign countries were positive factors. Total sales amounted to $117 million in 1956, $7 million above 1955 sales. Nineteen hundred and fifty-seven sales are expected to exceed the record 1956 level.

Construction activity, a major bulwark in today's economy, was running at an annual rate of $130 million for the first 5 months of 1957. This is an increase of more than 20 percent over the same 1956 period.

The visitor industry is headed for another record year in 1957. Increases in hotel room availability, steamship service lines, and the growth of air travel facilities indicate that this industry is the most promising and potentially the largest income producer. Income as a result of tourist activity in 1956 totaled $65 million and is running at the rate of $75 million in 1957.

Output of other Hawaiian products has also grown in dollar volume. The Hawaiian garment industry has made excellent strides. Employment in this industry has increased about 12 percent annually for the last several years. Employment in 1956 totaled about 1,523 persons compared to 1,348 in 1955. Exports of tropical fruits hold promise of greater growth. Coffee acreage has been increasing although prices are subject to volatile world market conditions. These commodities were the principal components of Hawaii's exports other than sugar and pineapple and brought a combined income of $26 million in 1956, an increase of $7 million over the previous year.

Mainland investments in Hawaii have continued to expand. Insurance companies alone accounted for $142 million as of January 1, 1957, compared to $121 million in January 1956.

Business and Economic Facts

Hawaii has had a favorable balance of payments with the mainland United States and the rest of the world since 1952. Table I indicates the major breakdowns of Hawaii's account with the mainland and other areas for 1955 and 1956.

According to table I, Hawaii earned $57 million more than it spent in 1956.

TABLE I

[In millions]

	1955 [a]	1956
Income (money earned outside of Territory):		
Exports (sugar, pineapple, coffee, garments, etc.)	270	286
Federal Government expenditures (Armed Forces, grants, tax refunds)	338	357
Goods and services purchased (tourists, airlines, steamship lines)	95	113
Dividends, interest, profits from overseas investments	25	32
Remittances and personal gifts	18	17
Total	746	805
Expenditures (money spent outside Territory):		
Goods bought (food, raw materials, autos, drugs, etc.)	419	430
Payments to Federal Government (tax, etc.)	146	164
Services (freight, transportation, advertising)	100	106
Interest and dividends	33	37
Remittances	9	11
Total	707	748

[a] Revised.

The estimated civilian population in the Territory as of July 1, 1957, was 551,537, an increase of 28,000 over the previous year. The increase in population and in general business activity has been borne primarily by the Island of Oahu. The Islands of Hawaii, Kauai, Maui, Lanai, and Molokai have shown a relative decline and have not been able to provide the necessary number of jobs for their increasing high school

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graduates and the layoffs due to increased mechanization on the sugar plantations.

Table II indicates changes in employment for various islands between 1952 and 1956. It will be noted that Oahu has had the only substantial increase in the number employed.

TABLE II.—*Changes in employment by island, 1952 and 1956* [a]

	Change in employment	Percent change
Oahu	+7,870	+6.5
Hawaii	+199	+.9
Maui	−928	−7.1
Kauai	+586	+5.1
Lanai-Molokai	−325	−11.6

[a] Excludes self-employed.

Source: Based on monthly Labor Force Estimates, Territory of Hawaii, 1952 and 1956, Department of Labor and Industrial Relations, Territory of Hawaii.

The basic economic problem facing the Territory is the creation of sufficient jobs to meet the needs of an increasing population. It has been estimated that over the next 20 years, an average of 4,500 new jobs will be needed each year. An additional 2,500 jobs will be needed because of increasing productivity and decreasing labor input. It is estimated that it takes an average of $10,000 investment to create one new job in Hawaii. At this rate we will need an average investment of approximately $70 million per year to create the jobs needed.

To meet this need and to maintain and increase the prosperity Hawaii now enjoys is one of the primary goals of this Administration.

PUBLIC FINANCE

Bureau of the Budget

Biennium 1957–59.—The fiscal program authorized by the 29th Legislature for the biennium 1957–59 indicates that the Territory will reverse, by the close of the biennium, June 30, 1959, the unfavorable cash deficit trend in the general fund experienced by the Territory since 1949. While the general fund appropriations total $164 million and general fund receipts $161.2 million, it is estimated that the Territory will end the current biennium with a balanced budget since actual expenditures during the biennium are expected to be less than the total appropriations.

The appropriations of $164 million for the biennium 1957–59 show an increase of $26 million over the appropriations of $138 million at the beginning of the biennium 1955–57. The increase during the 1957–59 biennium is mainly due to larger departmental appropriations

of $18 million, larger carryover appropriations of $4 million and elimination of the $1.5 million savings from appropriations mandated by the 1955 Legislature.

Revenues totaling $161.2 million estimated for the biennium 1957–59 are $31.2 million higher than the revenues realized during the biennium 1955–57. Of this increase, $3 million represent the increase due to the projected growth in the Hawaiian economy and $29.9 million represent increases resulting from legislative changes in Territorial revenue laws, offset by a decrease of $1.7 million of Federal funds and other receipts.

A substantial portion of the $29.9 million increase is due to the changes in the tax laws which resulted in a $29 million increase in tax revenues.

Fiscal year 1956–57.—Territorial government expenditures for the fiscal year 1956–57 totaled $131 million or about $240 per person in the Territory. Of this total, roughly 50 percent were general fund expenditures which are financed from general taxes and other general revenues, 30 percent were special fund expenditures which are financed from special purpose taxes and other special levies, and 20 percent were bond fund expenditures, which moneys are borrowed through the sale of bonds.

Expenditures during fiscal year 1956–57 as compared with fiscal year 1955–56

	General fund	Special fund	Bond fund	Total
1956–57	$65, 681, 517	$38, 189, 854	$27, 176, 301	$131, 047, 672
1955–56	60, 189, 667	35, 665, 089	16, 912, 053	112, 766, 809
Increase 1956–57 over 1955–56	5, 491, 850	2, 524, 765	10, 264, 248	18, 280, 863

The increasing expenditure trend during the biennium 1955–57 reflects the socio-economic conditions of the period as well as the political decisions of the Legislature to authorize a higher level of expenditures to more adequately meet needs. Expenditures would have been considerably higher than the above if the Administration had not instituted an economy program during the biennium. Through departmental cooperation, general fund savings totaled $3,735,445. Of this amount $2,548,165 represented contributions to mandated savings program of $1,500,000 mandated by the Legislature and $1,187,280 represented unrequired balances of appropriations which were lapsed.

Despite these savings in appropriations, the following forces served to increase governmental expenditures during the fiscal year 1956–57:

(*a*) The civilian population of the Territory increased from 523,359 at July 1, 1956, to 551,537 at July 1, 1957.

(*b*) The school population of the Department of Public Instruction increased from 119,130 in school year 1955–56 to 123,941 in school year 1956–57, and 129,442 in school year 1957–58.

(*c*) The cost of living as reflected in the Honolulu consumers' price index rose from 144.9 at June 1956 to 147.7 at June 1957.

At the same time, the Territory was better able to finance the increasing expenditures since the economy of the Territory continued to grow as indicated below:

(*a*) The total personal income of Hawaii increased from $946 million ($1,720 per capita) in 1955 to $1,016 million ($1,773 per capita) in 1956.

(*b*) The employed labor force increased from 204,243 at July 1956 to 206,085 at July 1957, and the number of unemployed decreased from 8,638 (4.1 percent) to 7,404 (3.5 percent) of labor force over the same period.

(*c*) The number of visitors to Hawaii is estimated by the Hawaii Visitors Bureau to increase from 109.8 thousand in 1955, 133.8 thousand in 1956, to 150 thousand (estimate) in 1957.

The higher revenues made possible by the growth in Hawaii's economy were able to finance the rising level of expenditures during the biennium 1955–57.

Revenues during fiscal year 1956–57 as compared with fiscal year 1955–56

	General fund	Special funds	Bond funds	Total
1956–57:				
Taxes	$52,938,210	$10,902,888		$63,841,098
Nontaxes	14,913,031	27,556,307	$38,500,000	80,969,338
Total revenues	67,851,241	38,459,195	38,500,000	144,810,436
1955–56:				
Taxes	48,528,453	9,948,147		58,476,600
Nontaxes	13,601,053	24,698,867	15,000,000	53,299,920
Total revenues	62,129,506	34,647,014	15,000,000	111,776,520
Increase 1956–57 over 1955–56	5,721,735	3,812,181	23,500,000	33,033,916

The summary statement below shows the cash balances by funds of the Territory for the fiscal year ended June 30, 1957:

	General fund	Special funds	Bond funds	Total
Receipts	$67,851,241	$38,459,195	$38,500,000	$144,810,436
Payments	65,681,517	38,189,854	27,176,301	131,047,672
Excess of receipts over expenditures	2,169,724	269,341	11,323,699	13,762,764
Available cash (deficit):				
At beginning of year	(6,093,093)	30,219,374	(4,027,387)	20,098,894
At close of year	(3,923,369)	30,488,715	7,296,312	33,861,658

Included in the cash balance of the special funds is $22,324,494 of employment security funds deposited in the United States Treasury.

The deficit in the general fund was financed from borrowings from the special fund in the amount of $4,680,000.

The summary analysis of finances of the Territory of Hawaii for the fiscal year ended June 30, 1957, prepared by the Comptroller, shows that schools and highways make up the largest percentages of expenditures:

	Total—all funds	Percent
Schools	$34, 191, 798	26. 1
Highways	20, 450, 473	15. 6
Public safety	9, 435, 958	7. 2
Hospitals	8, 560, 053	6. 5
Public welfare	7, 907, 586	6. 0
All others	50, 501, 804	38. 6
Total	131, 047, 672	100. 0

Operation of public schools represented 26 percent of the total cost of the Territorial Government for the fiscal year 1956–57. School enrollment which was 123,941 for school year 1956–57 is expected to increase to 129,442 in 1957–58.

To finance the accelerated highway program authorized by the 1955 Legislature, $12,500,000 in highway revenue bonds were sold. During the fiscal year 1956–57 the Territory also sold $26 million of general obligation bonds to finance school construction and other public improvement projects in the Territory.

The number of Territorial employees at June 30, 1957, totaled 11,610.54, including 4,661 public-school teachers.

	Positions authorized 1955–57	Filled positions		Positions vacant June 30, 1957
		June 30, 1956	June 30, 1957	
General fund:				
Classified employees	5, 545. 00	5, 096. 4	5, 206. 99	338. 01
Public school teachers	4, 661. 00	4, 430. 0	4, 661. 00	
Total general fund	10, 206. 00	9, 526. 4	9, 867. 99	338. 01
Special funds	1, 867. 65	1, 652. 4	1, 742. 55	125. 10
Total all funds	12, 073. 65	11, 178. 8	11, 610. 54	463. 11

Federal Surplus Property

The Federal surplus property program administered by the Bureau of the Budget has been extended by the Legislature in 1957 session, to include civil defense organizations in addition to health and educational institutions.

During the fiscal year property acquired totaled $1,157,461. Prop-

erty released to qualifying agencies amounted to $1,196,241, representing an increase of $434,309 or 57 percent over the amount released during fiscal year 1955–56. The largest item released was the jet aircraft to the Honolulu Technical School.

Income Study

The Territorial Bureau of the Budget cooperates with the Office of Business Economics, United States Department of Commerce, in compiling annual estimates of Hawaii's income.

In 1956, Hawaii's personal income totaled $1.016 billion. This was the first time that Hawaii's personal income exceeded $1 billion during the postwar period.

The steady growth of Hawaii's economy is indicated by the 7 percent increase in Hawaii's personal income in 1956 over 1955. This same percentage growth took place in 1955 over 1954. The growth in Hawaii's economy from these 2 years was comparable to that of the United States as a whole.

Hawaii's total personal income of $1.016 billion in 1956 exceeded that of seven States: New Hampshire, Vermont, North Dakota, South Dakota, Idaho, Wyoming, and Nevada.

The personal income of $1.016 billion for 1956 received by residents in Hawaii was equivalent to $1,773 per person for Hawaii's total population of 573,000 (including military personnel on duty). This represents an increase of 3 percent over the per capita personal income of $1,720 in 1955. For the United States as a whole, the per capita personal income in 1956 increased 5 percent over that in 1955.

The increases in Hawaii's total personal income of 7 percent and per capita personal income of 3 percent in 1956 over 1955 represent real gains for Hawaii over and above increases in living costs on the basis of the consumers' price index of the Territorial Department of Labor and Industrial Relations which shows an increase of only 1.4 percent for Honolulu during the same period.

Historically, Hawaii's per capita personal income has tended to approximate that on the mainland. During the past several years, however, the increases in per capita personal income for the United States have exceeded those in Hawaii with the result that Hawaii's per capita personal income which was only 4 percent less than that of the continental United States in 1954 has become 7 percent less in 1955 and 9 percent less than the $1,940 per capita personal income for the continental United States in 1956. However, Hawaii's per capita income of $1,773 in 1956 was higher than that of 26 States as was the case in 1955. These included all 16 of the Southeastern and

Southwestern States, Maine, Vermont, Minnesota, Iowa, North Dakota, South Dakota, Nebraska, Kansas, Idaho and Utah.

Report of the Treasurer

Bonded debt:	
Outstanding bonded debt June 30, 1957	$82,636,000.00
Outstanding bonded debt June 30, 1956	[1] $59,911,000.00
Legal debt margin of the Territory as of June 30, 1957:	
Bonded debt limitation	$102,935,949.00
Outstanding	$82,636,000.00
Excess of authority to borrow	$20,299,949.00
Cash position:	
Cash on hand and in banks	$53,914,997.80
For security of the funds deposited in banks there was an excess of	$1,973,784.62
Summary of business registrations as of June 30, 1957:	
Corporations:	
Domestic joint stock	2,568
Domestic eleemosynary	384
Foreign joint stock intrastate	344
Foreign eleemosynary	33
Partnerships:	
General	1,959
Special	10
Limited	119
Others:	
Trade-marks	2,314
Trade names	3,448
Prints	81
Labels	302
Banks in Territory (5 banks with 54 branches were in operation in the Territory as of June 30, 1957):	
Bank clearances, July 1956 through June 1957 amounted to	$3,342,686,555.34
Total assets as of June 30, 1957, were	$481,298,943.77
Trust companies (5 trust companies were in operation as of June 30, 1957): Total assets of these companies amounted to	$20,364,453.10
Savings, building and loan associations (11 associations with 1 branch were operating in the Territory as of June 30, 1957): These associations had combined assets amounting to	$136,162,096.86
Industrial Loan Act: The combined assets of 59 licensees and 21 branches amounted to	$50,673,770.59
Veterans' Home and Farm Loans: As of June 30, 1957, the Territory had purchased 1,258 veterans' home mortgages for the principal sum of	$14,771,669.06

[1] During 1957 $3,275,000 of bonds were matured and $26 million worth of public improvement bonds were issued.

NOTE.—As of the same date, there was an outstanding balance of $2,068,902.96 on commitment contracts for the purchase of eligible veterans' mortgages.

Report of the Tax Commissioner

Real Property Assessments.—The gross assessed value of real property in the Territory, as of January 1, 1957, was $1,933,325,220, an increase of 1.4 percent over 1956. New legislation this year made a drastic change in the real property rate concept by substituting a maximum tax rate limit for the former tax ceilings in effect for each Division. A comparision of these tax rate limits and the actual tax rates established per $1,000 of valuation for 1957 are as follows:

	Tax rate	Tax rate limit
City and County of Honolulu	$15.15	$16
County of Maui	16.57	18
County of Hawaii	13.88	18
County of Kauai	16.52	18

Nontaxable exemptions amounted to $637,545,209, statutory exemptions $261,366,012, and valuations on appeal $10,109,014, leaving $1,029,359,493 net assessed valuation for tax rate determination.

Tax Collections.—Taxes collected by the Department of the Tax Commissioner amounted to $87,245,627 for the fiscal year ending June 30, 1957. Delay in setting the new rates referred to above meant that some $7 million in real property taxes which should normally have been collected in June are not reflected in these figures. Excluding collections in both real and personal property for better comparability, revenues from all other sources were up 8.5 percent or $6,864,903 over the prior year. Of this increase $4,412,060 went to the Territorial general fund, while the balance was allocated to the counties or special funds.

The following four tables are comparative statistical statements which are self-explanatory.

Comparative statement of tax collections for the fiscal years ended June 30, 1956 and 1957

Source of revenue	Fiscal year 1955–56	Fiscal year 1956–57	Increase or decrease* [1]	Percentages
Bank excise	$132,239	$217,761	$85,522	64.67
Compensation and dividends	12,337,134	13,217,451	880,317	7.14
Employment security contributions	2,401,330	2,835,967	434,637	18.10
Fuel	10,928,641	11,873,574	944,933	8.65
General excise, consumption and compensating	35,287,579	38,138,517	2,850,938	8.08
Inheritance and estate	238,994	426,605	187,611	78.50
Insurance premiums	1,095,266	1,229,012	133,746	12.21
Liquor	2,101,494	2,173,822	72,328	3.44
Net income:				
Corporation	3,487,326	4,162,393	675,067	19.36
Individuals	1,876,153	2,113,435	237,282	12.65
Public utility	2,625,455	3,003,093	377,638	14.38
Public welfare [2]	670	891	221	(2)
Tobacco	1,264,361	1,249,024	*15,337	1.21
Total	73,776,642	80,641,545	6,864,903	8.51
Personal property [3]	199	13	*186	(3)
Real property [4]	11,244,842	6,604,069	*4,640,773	(4)
Grand total	85,021,683	87,245,627	2,223,944	(4)

[1] Decreases*.
[2] Repealed July 1, 1943.
[3] Repealed Jan. 1, 1948.
[4] Data not comparable as prior fiscal year includes double real property tax, while fiscal 1956–57 has no current collections due in both instances to delays in setting tax rates in legislative years.

Comparative statement showing allocation of fiscal year tax collections

	Fiscal year 1955–56	Fiscal year 1956–57	Increase or decrease*	Percentages
Territorial funds:				
Territorial general	$48,522,158	$52,934,218	$4,412,060	9.09
Territorial highway	6,235,925	6,583,622	347,697	5.58
Territorial airport	1,118,893	1,286,373	167,480	14.97
Small boat harbor maintenance	71,430	63,873	*7,557	*10.58
Employment security contributions	2,401,330	2,835,967	434,637	18.10
Subtotal—Territory	58,349,736	63,704,053	5,354,317	9.18
County revenues:				
General excise	11,924,513	12,997,786	1,073,273	9.00
Property	11,245,041	6,604,082	*4,640,959	(1)
Fuel	3,502,393	3,939,706	437,313	12.49
Subtotal—County	26,671,947	23,541,574	*3,130,373	(1)
Grand total	85,021,683	87,245,627	2,223,944	(1)

[1] Data not comparable as prior fiscal year includes double Real Property tax, while fiscal 1956—57 has no current collections due in both instances to delays in setting tax rates in legislative years.
* Decreases.

Comparative real property tax values and other related data covering the entire territory

Items	As of Jan. 1, 1956	Percent to total	As of Jan. 1, 1957	Percent to total
Assessor's gross valuation:				
Land	$967,135,970	50.75	$966,657,339	50.00
Buildings	938,664,028	49.25	966,667,881	50.00
Total	1,905,799,998	100.00	1,933,325,220	100.00
Exemptions:				
United States	421,627,006	22.12	421,810,647	21.82
Territory of Hawaii	151,070,104	7.93	147,239,155	7.62
Counties	61,344,216	3.22	68,495,407	3.54
Homes (fee and leaseholds):				
(1956—48,217)	143,186,122	7.51		
(1957—50,774)			150,598,578	7.79
Public utilities	30,204,538	1.59	30,322,089	1.57
All others	80,769,022	4.24	80,445,345	4.16
Total exempt ons	888,201,008	46.61	898,911,221	46.50
Assessor's net taxable values	1,017,598,990	53.39	1,034,413,999	53.50
Valuations on appeal	78,576,783		10,109,014	
Taxpayers' net valuation	939,022,207		1,024,304,985	
50 percent of valuation on appeal	39,288,391		5,054,508	
Net valuation for tax rate purposes	978,310,598	51.33	1,029,359,493	53.24
Amount raised by taxation	11,108,016		15,649,187	
Average rate per $1,000 value	11.35		15.20	

Trend in economic conditions as reflected by business volume, wages, dividends, gasoline consumption, etc., on a comparative basis for the 2 fiscal years are summarized from information obtained from current year's tax returns

Taxable base	Fiscal year 1955–56	Fiscal year 1956–57	Increase or decrease*[1]	Percentage
Gross business volume	$1,553,819,580	$1,656,980,356	$103,160,776	6.64
Retail sales	$578,815,895	$623,205,275	$44,389,380	7.67
Wholesale sales	$263,171,814	$271,065,785	$7,893,971	3.00
Sugar sales	$112,322,471	$113,394,923	$1,072,452	.95
Canning (pineapple sales, etc.)	$99,426,062	$96,546,681	*$2,879,381	*2.90
Manufacturing	$103,691,167	$103,577,508	*$113,659	*.11
Producing	$39,482,344	$42,404,841	$2,922,497	7.40
Contracting	$93,262,686	$113,373,993	$20,111,307	21.56
New business licenses issued	8,162	8,265	103	1.3
Licenses canceled	10,295	7,472	*2,823	*27.4
Total number of licenses issued	44,545	45,517	972	2.18
Wholesale value of tobacco sales	$8,365,772	$8,326,891	*$38,881	*.46
Wholesale value of liquor sales	$17,472,834	$18,054,716	$581,882	3.33
Salaries and wages	$561,333,286	$600,741,218	$39,407,932	7.02
Dividends	$39,651,800	$42,581,887	$2,930,087	7.39
Gasoline consumption—gallons	112,413,368	116,926,239	4,512,871	4.01
Diesel oil consumption—gallons	22,436,410	23,575,538	1,139,128	5.08
Aviation gasoline consumption—gallons	31,968,376	36,753,517	4,785,141	14.97
Butane consumption—gallons	114,335	161,130	46,795	40.93
Small boat harbor maintenance—gallons	4,671,047	3,843,160	*827,887	*17.72

[1] Decreases shown by asterisk (*).

Comptroller

Summary analysis of the finances of the territory of Hawaii for the fiscal year ended June 30, 1957

	General fund	Special funds	Bond funds	Total
The Territory received from:				
Taxes	$52,938,209.71	$10,902,888.43		$63,841,098.14
Nontaxes	14,913,031.00	27,556,307.09	$38,500,000.00	80,969,338.09
Total receipts	67,851,240.71	38,459,195.52	38,500,000.00	144,810,436.23
Available cash at beginning of year	(6,093,092.06)	30,219,373.74	(4,027,387.28)	20,098,894.40
Total resources	61,758,148.65	68,678,569.26	34,472,612.72	164,909,330.63
The Territory paid out	65,681,517.58	38,189,853.94	27,176,300.73	131,047,672.25
Available cash at close of year	(3,923,368.93)	30,488,715.32	7,296,311.99	33,861,658.38
The cost of operating the Territorial Government for the fiscal year ended June 30, 1957, is detailed below by major functions and activities:				
Schools	26,207,071.64	6,343,979.09	1,640,746.65	34,191,797.38
Highways	65,358.91	10,374,220.19	10,010,894.13	20,450,473.23
Public safety	3,358,802.89	5,888,269.87	188,885.18	9,435,957.94
Hospitals	7,743,057.97	554,084.78	262,909.49	8,560,052.24
Public welfare	7,802,867.19	89,216.64	15,501.85	7,907,585.68
Utilities or other enterprises		4,027,515.16	211,701.23	4,239,216.39
General government	5,895,460.91	292,109.25	913,037.60	7,100,607.76
Health	3,153,936.49	712,673.67	18,065.02	3,884,675.18
Development and conservation of natural resources	2,320,958.10	1,335,926.38	412,882.83	4,069,767.31
Libraries	709,838.47	11,049.42	17,523.23	738,411.12
Miscellaneous	3,468,434.46	4,319,803.88	5,806,964.47	13,595,202.81
Loans to counties from bond funds			7,677,189.05	7,677,189.05
Bond redemptions and interest expense	4,995,730.55			4,955,730.55
Unemployment compensation and benefits payments		4,241,005.61		4,241,005.61
Total	65,681,517.58	38,189,853.94	27,176,300.73	131,047,672.25

EDUCATION

Department of Public Instruction

The 205 public schools of Hawaii with an enrollment of 124,857 are situated on seven islands. They are organized as one school system with a school board of seven Commissioners of Public Instruction appointed by the Governor of Hawaii for 4-year terms with representation from the islands as follows: Oahu—3; Hawaii—2; Maui, Molokai, and Lanai—1; Kauai and Niihau—1. The Superintendent is also appointed by the Governor for a 4-year term.

The purpose of the public school system of Hawaii is to provide free education to all children and youth and to provide a program of adult education. This purpose is carried out in close cooperation with parents. With a total population of approximately 540,000 in Hawaii, 69,337 were members of very active parent-teacher associations during the past school year.

One of the big activities of the fiscal year was the survey of the administrative organization and operation of the school system by

Dr. William K. Odell and associates. Written reports are being presented to the Commissioners of Public Instruction and also at public meetings in September 1957 on the following subtopics: (1) Administration and finance, (2) curriculum and instruction, (3) school building planning, (4) vocational education, (5) special services and guidance. These reports are the result of a careful study of our school system from September 1956 to May 1957 by five educators from Stanford University and one from Claremont Graduate School. These survey reports should be very valuable aids to the school system during the decade ahead.

Another major project was carried out by the Department of Public Instruction itself with lay and professional people throughout the Territory of Hawaii joining together in developing the policies and the program for the schools. The first of the final reports of this policy and program project were adopted by the Commissioners of Public Instruction in February 1957. The following were the first five reports completed: Daily schedules, Reporting to parents, Grouping, Homework, and Promotion.

The beginning of a program for the gifted children was carried on during the year and will be further developed next year. A Territorial director for this program has been authorized and the work in the pilot schools will be evaluated and expanded.

The biggest problems during the year were created by the increase of enrollment on the island of Oahu from 83,031 in December 1955 to 88,963 in December 1956. This increase is expected to continue for several years at the rate of about 6,000 per year.

During the school year just closed, three buildings in rural Oahu were completed on which the sum of $2,098,181 of Federal funds under Public Law 815 was used for part of the construction costs. $2,106,271 of Federal funds was also made available for buildings that have already been approved and are now in the process of construction. An additional $1,802,629 for school construction under the same public law has been approved and the buildings are being planned at the present time. In the years 1953 to June 30, 1957, inclusive, the sum of $20,261,318 has been spent on school construction, $14,990,669 from local funds, and $5,270,649 from Federal funds. For current operating expenses, under Public Law 874, the sum of $1,655,620 was received from Federal funds during the past school year. All the sums mentioned above have been an important aid in carrying on the public school program in Hawaii.

The operating expenditure for the fiscal year (excluding capital outlay) amounted to $29,888,109, as compared to $26,283,025 for the same period in 1956. The yearly per capita cost (excluding capital

outlay) based on average daily attendance was $254.51 as against $233.47 in 1956.

Educational Statistics as of December 1956

	Public schools	Private schools	Total
Kindergarten	10,770	4,020	14,790
Grades 1–6	67,155	12,583	79,738
Grades 7–9	26,555	6,113	32,668
Grades 10–12	18,487	4,765	23,252
Special	1,890	106	1,996
Total	124,857	27,587	152,444

Commission on Children and Youth

Several reports were published by the Commission during the year. These represent the work of committees, some of which had been in operation during the previous fiscal year.

Reactivation of the Hawaii Territorial Guard.—The report was initiated upon the Governor's request for review and study of his plans for reactivating the Guard as a means of relieving the problem of delinquency and youth employment.

Hawaii's Gifted Children.—Four thousand gifted children have been identified in our public and private schools. The study attempts to define the problem, appraise present services and make recommendations for a conscious community program for them.

Residential Treatment for Severely Maladjusted Children.—Using the comprehensive study of the Legislative Reference Bureau Bulletin of August 1, 1956, as its base, this committee made a study of the various proposed plans and the possibilities for implementation. Recommendations include a request for a study of the urgent needs of all disturbed children and a priority rating of these.

The Commission also completed the assignment of assisting the Office of the Governor in soliciting nominations for the Young American awards for bravery and for service.

The Commission is continuing its studies on legal aspects of illegitimacy and on education for better family life.

The Commission was nominated by the Children's Bureau from among all active State commissions for recognition and consideration of the Lane Bryant award. This nomination will be for one of the cash awards recognizing "participation in efforts that benefit the American home and community."

Major legislation affecting children was closely appraised and watched by the Commission's Legislative Committee. The Commission was consulted by the Governor as well as the lawmakers on some

of these measures. This continues to be one of the major functions of the Commission during legislative sessions.

University of Hawaii

During the past year the University of Hawaii celebrated the completion of its first half century of growth.

Enrollments in the 1956 summer session stood at 4,003 on the Honolulu campus, 515 for the College of General Studies, and 159 for the Hilo Branch—a total of 4,677. The University's third advanced management program for business executives was conducted in cooperation with the Harvard Graduate School of Business Administration which provided four staff members. For the third year, also, the University conducted on behalf of the Department of State one of the nation's eight Asian orientation programs for Fulbright and other grantees on their way to undertake graduate studies at American universities. During the summer, also, the University cosponsored a management conference with the American Society for Public Administration.

The University opened in the fall with 5,408 students registered for the first semester of the academic year, 1,085 enrolled for credit courses in the College of General Studies, and 243 at the Hilo Branch—a total of 6,736. More than a thousand veterans attended our regular, evening, and off-campus sessions during the first semester.

The community was deeply shocked by the death of Dr. Paul S. Bachman on January 9, a little over a year and a half after he had taken office as president of the University. The Board of Regents appointed Dean Willard Wilson acting president.

The second semester registration for the Honolulu campus was 5,252—203 more than the second semester the previous year. The campus enjoyed the stimulating presence of nine Carnegie visiting professors, concentrated during this period to participate in the celebration of the 50th anniversary of the founding of the University. In addition to carrying a heavy teaching schedule, they participated in panel discussions, seminars, and public lectures both on and off the campus.

Fiftieth Anniversary events brought thousands of visitors to the campus, many for the first time. There were theatrical presentations, music programs, art exhibits, a high school essay contest, a free speaker's bureau, a public lecture series, a student model United Nations session, and the dedication of a new agricultural building by Secretary of Agriculture Ezra T. Benson, on whom an honorary degree was conferred. The celebration culminated with a charter day convocation which was addressed by two speakers from eastern United

States whose presence was made possible by a private grant from the president of IBM.

The cumulative effect of the 50th anniversary—the impact of the public events and the legitimate opportunities which they afforded for promotion through radio, news stories, features, newspaper supplements, and publications—brought the University and the Territory as a whole into far closer proximity than ever before and presented the University's accomplishments, services, and needs clearly and emphatically.

During the year emphasis was placed on offering additional training in three fields designated by the Legislature: teaching, nursing, and engineering. Ways of improving teaching were discussed. Adult education was placed under a newly instituted College of General Studies. Agricultural research continued experiments with the byproducts of Hawaii's principal industries and with promising new industries, such as frozen tropical juices. Coffee culture in the Kona-Kailua area came under the particular attention of the Extension Service, which also assisted Hawaii's citizens through its extensive farm agent, home demonstration, and 4–H club programs.

Work in marine biology was conducted on behalf of the local tuna industry, the United States Navy, and the Atomic Energy Commission.

Encouraged by Territorial appropriations to establish an administrative staff for an expanded Institute of Geophysics, and by the National Science Foundation's recommendation to Congress that physical facilities for such an Institute be established, the University conducted important work in this field, especially in connection with the International Geophysical Year.

In the spring, the University, the Small Business Administration, the Chamber of Commerce, and other community organizations cosponsored a Small Business Management Institute which held 10 weekly sessions on the campus.

The 1957 summer session opened with 4,477 on the Honolulu campus, 882 in the College of General Studies, and 116 at the Hilo Branch—a total of 5,475. Well over a thousand of these were mainland students. Plans were laid for a second management conference and for a fourth session each of the advanced management program and the Asian Orientation Center. Provisions were made also for the inauguration of an orientation program for grantees from the Trust Territory who will study in Hawaii in the fall. A Summer Science Institute, backed by National Science Foundation funds, was held for the purpose of making science courses more attractive to students in the secondary schools through the introduction of new teaching ideas.

The new Agricultural Building was occupied and three other structures neared completion: the Veteran's Memorial Men's Dormitory

the University High School, and the Physical Education Building. The principal access road to the campus was resurfaced, and additional parking facilities were provided. A Housing and Home Finance Agency loan of $545,000 for faculty housing was applied for, and careful study was given to physical expansion in the face of mounting student enrollments. Study was given likewise to ways in which the resulting shortage of faculty members might be met and overcome.

The University's budget for the fiscal year 1956–57 totaled $5,320,857, exclusive of projects and auxiliary enterprises. The sources of these funds were Federal, $538,862.00; Territorial, $3,289,890.00; University income from student fees and sale of services, $1,492,105. At the end of the period, full-time faculty members numbered 541; civil service employees, 375.

Library of Hawaii

Library service throughout the territory received a new impetus during the past year due to the assistance of Federal aid. The only Territory to qualify during the first year of operation under the Library Services Act, Hawaii received $40,000 which was allocated to libraries on each island in accordance with their percentage of rural population. Funds were spent for such much-needed items as books, additional staff, and a bookmobile. The Library of Hawaii served as a State Library Agency for the receipt and distribution of these funds which are granted only for the benefit of rural areas.

Increased service during the past year was reported by every division of the Library. A total of 1,452,955 books, periodicals, and pamphlets was circulated and in addition 21,948 pictures, 18,521 recordings, and 6,623 films were loaned—making a grand total circulation of 1,590,047. This circulation of well over a million and a half items is in marked contrast to that listed in the annual report of the first full year of operation of the Library of Hawaii in 1914, which was 87,032.

Since Hawaii's population is such a youthful one, it is not surprising that a high percentage of the work was done with children. Out of a total of 106,552 borrowers, 40,566 are children and 640,011 of the total volumes loaned were juvenile books.

A total of 59 distributing agencies brought service to people throughout the island. In addition to the main building, there were 7 branch libraries, 28 deposit stations, and a bookmobile which visited 24 rural schools once a month. Adults as well as children in the rural areas will be served when a second bookmobile goes into operation next year. Service to the county libraries on the neighbor islands was also

carried on through interlibrary loans and a total of 210 volumes was loaned for this purpose.

The book collection now numbers 273,086 volumes, of which 22,309 were added during the year and 13,835 discarded. Included are 50,112 talking books for the blind and 3,282 volumes in Braille.

The importance of reference and information service to the people of the community, particularly business and industry, is reflected in the number and complexity of the questions answered during the past year. A total of 102,683 queries came in—the majority of them to the Main Library reference desk.

Both films and recordings were borrowed extensively by patrons and these collections are being built up on a self-sustaining basis through rental fees. A total of 5,984 recordings, mostly long-playing, and 865 films is available for home or community use. Film programs in libraries and elsewhere were viewed by 710,845 people during the year.

Work with children was highlighted by participation of the entire staff of children's librarians in the first festival of books ever to be held in the islands. More than 22,000 persons, mostly children, visited the fair held at the Honolulu Academy of Arts. School visits by the librarians and visits of classes to the library were carried on throughout the year. A total of 1,337 such classes, attended by 47,428 children, was conducted by the staff, and 46 story hours, with a total attendance of 1,490 children, were held in libraries or on playgrounds.

The Friends of the Library of Hawaii again assisted by the donation of $2,250 for the purchase of books, mainly for children and young adults. In order to interest more local young people in librarianship as a career they also established an annual scholarship award and financed the printing of a recruiting poster.

A total of $494,888 was spent during the year. Of this, $405,244 was Territorial appropriation and $89,644 came from Federal and other funds. At the end of the year the staff numbered 110 full-time and the equivalent of 4 additional workers in part-time positions—114 in all.

Kauai Public Library Association

The record circulation of last year was surpassed by over 34,400, with a total of 334,142 books, periodicals, and pamphlets circulated. This increase is reflected in all areas of library service, both adult and juvenile. The circulation per capita is up from 10.15 to 11.41.

The Kauai Public Library provides books to the entire population through the central library, three fully equipped branches, four

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deposit stations, and bookmobile service to all 17 schools. Over 40 percent of the population receives library service.

The children's department has had a highly successful year with an increase of over 18,000 in circulation. The acting children's librarian has covered the island with the bookmobile, telling stories at all schools and centers every 3 weeks. A total of 226 story hours were held, with an attendance of over 9,000 children.

The juvenile collection has been augmented by 2,200 volumes purchased with a share of the Federal funds which were made available through the Library Services Act.

Maui County Free Library

Residents of Maui borrowed 296,259 library books, magazines, and pamphlets for home use this past year. This is the Maui County Free Library's highest circulation figure since 1941 and the third highest in the library's 35-year history.

One thousand and sixty-nine more phonograph records were borrowed—a 28 percent gain over last year.

The librarians listed 11,874 reference and research questions answered.

Maui's children are using the library more. They borrowed 213,116 books this year as compared to 205,073 last year.

Six thousand and forty-one books were processed and added to the book collection. Some of these were purchased with Federal aid funds.

The residents of Maui help the library in many ways: They bring their art work, hobby work, and collections to be displayed in the libraries. They formed a friends of the library organization this year which brought two fine author-speakers to Maui and sponsored a book sale which enabled the library to buy more books. The PTA of Maui sponsored a bookfair in January in which hundreds of Maui residents participated. The Maui Philharmonic Society donated money for the purchase of phonograph records; many individuals have donated books and magazines to the library.

Hawaii County Library

Through the various agencies of the Hawaii County Library 461,646 books, periodicals, and other library materials were circulated to 20,239 registered borrowers—a circulation increase of 20,723 over the previous year. A gain of 1,249 in the number of reference questions answered is another indication of the increasing use of library services.

The library featured many interesting exhibits during the year. The highlight of the year was the festival of books held in November. This 2-week-long exhibit of books for children and young people brought 14,161 visitors of all ages into the library.

A new activity of the Extension Department is the bookmobile service being given by a staff member of the Honokaa Branch to four schools of that district. Books are supplied both from the county collection of the Main Library and from the branch collection, providing a greater variety and number than was possible when collections were sent on an annual basis to the schools. The use of this service as shown in its circulation has been most satisfactory.

In common with Extension Departments of libraries throughout the United States, the Hawaii County Library has benefited from funds made available through the Library Services Act of the 84th Congress. The first amount apportioned was used for the purchase of books (approximately 3,500) for use in rural districts.

Many school classes came to the main and branch libraries on regular 2-week schedules. Other classes visited the libraries and/or were visited by librarians at least once during the year. Through this program a total of 1,934 classes—60,270 children—benefited from book talks, favorite book projects, and library instruction given by the children's librarians. In addition, 534 story hours were held, with special story hours being held for all holidays.

The program of annual class visits in rural high schools was continued. This year a program for class visits at Hilo High School was started and plans for expanding it next year have been made.

The young people's librarian has started a book reviewing club for teen-agers in the Main Library. Books are reviewed by the members and, in turn, the librarian reviews particular titles as requested by the members.

Public Archives

The Archives has made steady progress during the past year towards clearing up the backlog of work to be done. There were no spectacular accomplishments but many small ones add up to general improvement. These included reducing the backlog of newspapers to be indexed from 4 to 2½ years; filing 60,000 index cards to Chinese immigration records; typing and filing index cards for 10,500 Portuguese immigrants; unfolding and properly filing the legislative records from 1840 to 1924; sorting and filing the map collection in flat cases; arranging the tax records for all islands from 1855 to 1893; and refiling the collections of private papers.

At the same time the regular work of furnishing information and materials to Government offices and the public went on. A total of 2,302 patrons were issued 6,663 items. Certified copies of 288 documents were issued. The Hawaiian translator prepared English translations of 1,170 Hawaiian letters and documents.

The major acquisitions of the year were the official files of the delegates to Congress for the period 1942 to 1956, and the files of Mayor John H. Wilson. Mrs. Joseph Farrington turned over to the Archives the papers for both her own and her husband's terms of office. The Archives now has the files for 6 of the 9 delegates, covering 42 of the 56 years. Every effort is being made to complete this file. Mayor Wilson's papers cover his entire career and include records of his service with the City of Honolulu, the Territory and the Federal Government.

Few requests were received from departments wishing to take advantage of the records disposal law. The largest disposal project was undertaken by the Archives and over nine tons of nonessential records, largely from the Office of Civilian Defense files, were destroyed. The National Archives Records Management Division has agreed to assist the Territory in surveying its current records, and it is hoped that advantage may be taken of this offer during the coming year. A preliminary survey showing the size of the problem was made.

Commission on Historical Sites

Activity of the Commission on Historical Sites has been limited by the size of its appropriation. Volunteers have listed and roughly mapped all known historic sites on the islands. The Commission requested and obtained legislation making it mandatory for the Tax Commissioner to mark these sites on the tax maps, and for public officials to look at these maps for possible sites before proceeding with any public improvements or construction. However, the work of the volunteers and the new law are meaningless until funds are made available for proper surveys to locate the sites exactly. Until such time as sufficient funds are available for this work, Hawaii's historic sites will not be adequately protected.

By order of the Governor, the Commission was given supervision over the Throne Room in Iolani Palace in order to preserve its authenticity. Through the cooperation of the Department of Public Works, standards and cord were obtained to rope off the thrones and kahilis to protect them from handling by visitors.

The Maui Committee on Historical Sites and the Maui Historical Society combined to obtain an appropriation of $18,000 for the res-

toration and preservation of Piihana o ka Lani and Hale Kii heiaus, and the old prison at Lahaina. These are considered two of the most important sites on Maui, and they will be of interest to both islanders and tourists.

The rapid development of Hawaii, and of Kona in particular, offers a constant threat to sites in this very historic area. The Commissioner has brought to the attention of the Board of Harbor Commissioners the important sites endangered by contemplated harbor work at Kawaihae and Kahaluu, Kona. Every effort will be made to protect the sites both on public and private lands. Ke Ala Ko Wa'a heiau on Hawaii was marked by a plaque.

HEALTH AND WELFARE

Department of Health

Communicable Disease.—Only two diseases were significantly above normal during the fiscal year: measles, which reached a peak in January, and influenza, which was increasing in prevalence at the end of June 1957.

Poliomyelitis.—In spite of the variation in availability of Salk vaccine, the poliomyelitis immunization program, both Federal and commercial, was quite successful. Over 380,000 injections were given in the combined programs which speaks well for the intensive health education and administrative efforts of the Department. The success of this program, which will continue on a Territorial level, may be indicated by the fact that only 20 cases of polio have occurred during the past fiscal year as compared to 172 the year before. The last reported case of polio occurred in January 1957.

Tuberculosis.—Deaths from tuberculosis totaled 25, or 4.6 per 100,000 population, the lowest total for any comparable period in the history of the Territory. The case rate for the fiscal year is 98.1 per 100,000 population which is based on 529 new cases reported.

The tuberculin testing project of the Oahu TB Association in which the Tuberculosis Bureau of the Health Department takes an active part, successfully completed its second year. Prominent workers in tuberculosis from both the United States Public Health Service and the National Tuberculosis Association who visited the Territory during the past year have been watching the development of this program and have offered some valuable suggestions.

The chemotherapeutic agent for tuberculosis has brought about changes in concepts of treatment and control procedures. The earlier discharge of patients from the sanatorium and the long-term continuance of drug treatment after leaving the sanatorium have brought

on definite problems. The public health nurse is becoming more involved in the supervision of the treatment of individuals after they have left the hospital. The ambulatory treatment of a tuberculosis patient by private physicans who have instituted treatment in their offices, makes adequate followup supervision and evaluation of the epidemiological factors in such cases more difficult for the Health Department. Finally, the apparent success of the drugs in shortening the time required for treatment in the sanatorium has resulted in the accumulation of unused beds in those hospitals.

The withdrawal by the Oahu Tuberculosis Association of the annual financial support (about $15,000) to the Health Department has resulted in a decrease of approximately 50 percent in the collection of specimens for culture for the determination of the activity or infectiousness of individuals with abnormal chest X-rays presumed to be tuberculosis. The withdrawal also necessitated the reduction of mobile X-ray work by 20 percent. The Association funds formerly made it possible to employ a nurse and a clerk in the chest clinic and also to purchase casefinding films when necessary. The Health Education staff has had to assume the mobile promotion work formerly conducted by the Oahu Tuberculosis Association.

Diabetes.—Notice of a grant of $24,709 from the National Institute of Arthritis and Metabolic Diseases for a research project titled, "Ethnic Differences in Prevalence of Diabetes Mellitus" was received. This grant will probably be renewed for a second year and when followed up should result in bringing most of the diabetes cases under care, and most families with diabetic tendencies under medical observation.

Venereal Disease.—Venereal disease in the Territory remains at a fairly constant low level, well below that in comparable mainland areas. High schools are being encouraged to intensify their VD education.

Cancer Control.—The skin cancer study was concluded, revealing an incidence in Caucasians 45 times as great as in non-Caucasians. The addition of an educator to the staff has made it possible to move ahead with public and professional education designed to accomplish early detection and treatment of cancer.

Hansen's Disease.—There were 19 new cases of Hansen's disease of whom 11 were noninfectious and were treated on outpatient status, and 8 were infectious and isolated in Hale Mohalu Hospital. During the 12-month period, 9 released patients became infectious and were returned to active status with full isolation.

As of June 30, 1957, there were a total of 291 Hansen's disease patients on outpatient status: 140 are residents at Kalaupapa Settle-

ment, and 7 are hospitalized in Hale Mohalu, while 144 are living at home.

As an essential part of treatment, physiotherapy was instituted at both hospitals and a full-time physical therapist was employed towards the end of the fiscal year to provide for much needed treatment of patients at the two hospitals.

Laboratories.—During the year, specimens from 938 individuals were submitted for Staphylococcus Phage Typing. It is particularly significant that among these, 144 individuals were suffering from infections of the highly virulent Staphylococcus Phage Type 81 which has been responsible for severe hospital outbreaks on the mainland, causing pneumonia and septicemia.

Studies have been initiated to determine the possible source of paratyphoid-like organisms which constitute an important cause of food poisoning and diarrheal diseases.

Enteropathogenic E. Coli, which were detected for the first time in the Territory last February, have been isolated from 81 children. Four varieties of these have been encountered among children in four different hospitals, as well as patients treated at home. Early detection in the Territory has served to arrest hospital outbreaks and prevent any appreciable mortality.

Hospital Construction.—The Federal grant of $604,286 was allocated to the following facilities:

Project No.	Name	Amount
7	Wahiawa General Hospital	$211,559
8	Rehabilitation Center of Hawaii	50,000
10	Kona Health Center	19,500
11	Waiakea Health Center	27,500
12	Board of Health	45,727
13	St. Francis Hospital	100,000
14	Maunalani Hospital and Convalescent Home	150,000
	Total	604,286

The Territorial construction plan for hospitals and medical facilities was completed and is presently in the hands of the United States Surgeon General. Upon approval, the Territory of Hawaii will receive the 11th consecutive grant of funds for medical facilities construction estimated to be about $606,450 for the fiscal year 1958.

Hospital and Medical Care—Nursing Homes.—The prospective increase in nursing homes has been of prime concern to the staff as it affects the care of the aging population of the Territory. While not a serious problem at present, careful planning is needed at this time by all agencies concerned to see that proper care is given to this group to avoid serious problems in the future.

A survey was completed of the approximately 900 chronically ill and elderly persons in the Territory being cared for in nursing homes and convalescent hospitals. Recommendations for improvements in care are being made.

Public Health Nursing.—Five public health nurse positions for Oahu, three during the past fiscal year and two for the coming fiscal year, were approved by the Legislature. Three practical nurses for clinic work were also added to the staff. Service has been extended to polio vaccination programs, to tuberculosis patients discharged from sanatorium on antibiotic regimes, to early case finding in diabetes control and to new categories of exceptional children (retarded, epileptic, those with hearing loss) for whom service programs have been organized. Nursing service to schools has been strengthened by the new emphasis on continuity throughout the school year and permits greater followthrough of children with particular health problems.

Health Statistics.—In collaboration with the local chapter of the American Statistical Association, the sum of $3,000 was secured as donations from various agencies to make possible annual estimates of households and population by small areas using building and demolition permits as the chief basis for estimation.

A much-needed birth and death registration manual for registration officials, physicians, welfare workers, and others was partially completed. The latter part is awaiting the results of a review by the Hawaii Medical Association of suggested changes in death registration procedures.

Abridged life tables by sex were computed based on the periods 1939–41 and 1949–51. The table centering on 1950 indicates life expectancy at birth somewhat greater in the Territory than on the mainland as a whole and an average gain in life expectancy of approximately 8 years since the period 1939–41.

Major statistical projects upon which assistance was given were factors affecting prematurity in infants as indicated by data on birth certificates in cooperation with the bureau of maternal and child health, a case register for statistics on patients of the division of mental health, a study of deaths from cardiovascular-renal diseases in cooperation with the Bureau of Geriatrics, a project proposal for diabetes research, and an 11-year study of cancer cases in the Bureau of Geriatrics.

Sanitation.—A basic air sanitation statute and a revised fumigation control law were passed by the Legislature. Also, the securing of $28,000 for radiological health will enable the Bureau of Industrial Hygiene to launch an evaluation and study program concerning ionizing radiation and other "fallout" hazards for the Territory.

The baseline aerometric survey to determine atmospheric contaminants in Honolulu was instituted and carried to near completion by contracting a scientific research firm, Truesdail Laboratories, Inc., of Los Angeles. Securing these baseline data will guide the promulgation of rules and regulations and planning for a realistic control program.

In conjunction with air pollution activity, two stations for the national air sampling network program were manned by the staff.

Assisted by the United States Public Health Service, a fallout surveillance station in Honolulu was set up during the period of the British nuclear tests at Christmas Island. Due to favorable wind patterns prevailing throughout the tests, only minute amounts of radioactivity were detected in our atmosphere.

Mosquito Control.—Mosquito control programs were inaugurated on Maui and Kauai after strong public demands for control measures on these islands.

The control of Aedes Aegypti mosquitoes in the Territory was continued during the year to prevent the outbreak of an epidemic of dengue or yellow fever. Surveillance work at the airports and harbors was carried on to prevent the introduction of new mosquitoes into the Territory.

Sanitary Engineering.—The participation of the staff in the survey of tidal wave damages on March 9, 1957, pointed out our responsibility in environmental sanitation in disaster.

The adoption by the Board of Health in May 1957, of the revised public health regulations on milk which are patterned after the third printing of the 1953 United States Public Health Service Milk Code and Ordinance is another forward step in our sanitation program. One of the progressive features of this regulation is that provisions are included whereby the Board of Commissioners of Agriculture and Forestry will be responsible for the establishment of a brucellosis control certification program. This program will be required of all dairy cattle regardless of whether the milk is consumed in the raw state or is pasteurized.

In accordance with the provisions of the new Federal Water Pollution Control Act, a plan and a comprehensive program for the prevention and control of water pollution in the Territory were prepared for the approval of the Surgeon General of the Public Health Service.

Rodent Control.—Programs for the detection and suppression of rodent borne disease were conducted throughout the year on the islands of Hawaii, Maui, and Oahu. It has been 7 years since human plague has been reported in the Territory, the last case being in the Hamakua District in October 1949.

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Foreign Trainees.—The training program for foreign student trainees has been well received by both staff and students.

Crippled Children.—The diagnostic services in the conservation of hearing program have been strengthened through the use of psychogalvanometry in the Territory for the first time. In the mental retardation personnel training project, a public health nursing instructor has been hired. Other activities in diagnosis of children with mental retardation are continuing and have been strengthened by the addition of another social worker and an occupational therapist in this program.

Kauai Pregnancy Study.—The past year has seen the development of pediatric and psychological testings of the infants born to mothers in the study.

Board of Health.—The Board, aside from setting up procedures and standards for fluoridating community water supplies, held a fluoridation hearing in Wahiawa in response to a petition signed by 1,235 residents of that community requesting that the Board take steps to fluoridate the Wahiawa water supply. The majority of residents at the hearing were in favor of the measure. The Board of Health thus informed the Mayor and Board of Supervisors of the City and County of Honolulu of the result, and further recommended that facilities for fluoridation be installed.

Estimated civilian population of the territory of Hawaii by geographic area: July 1, 1956–July 1, 1957

Geographic area	July 1, 1957		Jan. 1, 1957	July 1, 1956	Percent change July 1, 1956–July 1, 1957
	Number	Percent			
Territory of Hawaii	551,537	100.0	539,309	523,359	+5.4
County of Hawaii	62,503	11.3	63,540	62,666	−0.3
City of Hilo	25,205	4.6	25,597	25,221	−.1
Balance of County	37,298	6.7	37,943	37,445	−.4
County of Honolulu	416,112	75.4	400,557	386,694	+7.6
City of Honolulu	292,179	53.0	282,363	275,393	+6.1
Balance of County	123,933	22.4	118,194	111,301	+11.3
County of Kalawao	286	.1	288	276	+3.6
County of Kauai	28,835	5.2	29,511	28,737	+3.4
Island of Kauai	28,607	5.2	29,285	28,517	+.3
Island of Niihau	228	.0	226	220	+3.6
County of Maui	43,801	8.0	45,413	44,986	−2.6
Island of Lanai	2,458	.5	2,268	2,506	−1.9
Island of Maui	36,403	6.6	38,208	37,605	−3.2
Island of Molokai (exclusive of Kalawao)	4,940	.9	4,937	4,875	+1.3

Method of Compiling Data.—Estimates of the civilian population of the Territory were prepared using the migration-natural increase method. Data on civilian migration to and from the Territory were provided by each carrier and data on migration between islands were provided by the Hawaii Aeronautics Commission. Data on net movement of civilians in and out of the Armed Forces were obtained from the personnel center of each service. Data on births and deaths were obtained from this office.

Department of Public Welfare

The department's emphasis for the year was on devising ways and means to make the best use of available staff and funds in order to operate the welfare programs efficiently, effectively, and economically.

Toward this end, the department conducted factfinding studies on the caseload, staff, and mode of operations and established pilot projects to test effectiveness of different methods in reducing welfare cases and costs.

Specifically the department accomplished the following:

Children's Services.—(*a*) Permanent establishment of "Operation Help," the experimental project which had been set up the previous year to prevent juvenile delinquency and future government costs by making professional services available on a 24-hour basis to children.

(*b*) Greater number of children adopted at an earlier age.

(*c*) Job placement program in cooperation with private industry to help adolescent children become self-supporting.

(*d*) Increased number of children reunited with their parents, rather than continued in foster homes or institutions.

Rehabilitation and reemployment.—Established a rehabilitation and reemployment program to direct special attention towards getting recipients back to work, and towards prevention of dependency on public support.

Chronically Dependent Families.—Identified 10 percent of welfare families as being "hard-core" families who had been on the rolls for 5 or more years.

With the addition of 15 temporary positions authorized by the Legislature, 25 percent of these families are estimated to become rehabilitated during the next 2 years.

Financial Assistance.—(*a*) Emphasized job placement, job training, rehabilitation, regular and constant review of recipient's eligibility, reduced number of persons needing financial assistance from 18,762 at the start of the year to 17,243 at the end of the year.

(*b*) Provided increased amount of money for purchase of food. Additional federal funds resulting from the 1956 Social Security amendments plus reduction of welfare loads, made possible more money for clients to purchase at 1949 purchasing price the minimum amount of food necessary for decency and health.

Management.—(*a*) Increased productivity through reorganized (county) operations.

(*b*) Job satisfaction has brought staff turnover to lowest point in last 5 years.

Pilot project during the past year resulted in more efficiency, effectiveness, and economy of staff and funds. These results established the value of using pilot project material and emphasizing the following 5 point program:

Determination of Financial Need.—Tightening of eligibility requirements for assistance; development of additional community resources; development of more support from relatives.

Rehabilitation and Reemployment Services.—Assignment of more experienced workers to get all those who can work back to reemployment; development of services towards self-help.

Services to Children Needing First, Adoption, and Second, Return to Their Own Homes.—Placement of children for adoption at an earlier age, earlier determination of children who need adoption, and stepped-up recruitment of adoption homes.

Prevention of Family Breakdown.—Establishment of homemaker's service, expansion of services to unmarried mothers, and development of the use of day care centers to prevent foster placement away from home.

Protective Services to Children.—Assignment of additional workers to provide protective service to children of all income levels in their own homes to prevent delinquency and neglect.

Facts and Figures.—An average of 20,039 persons a month received financial assistance and social services. This was an average of 12 percent per month less than the year before. Thirteen percent required nonfinancial assistance services only (i. e., social).

Of the 20,039 persons helped each month, 17,478 or 87 percent required financial assistance as follows:

Program	Number of persons per month	Percent of persons helped
Aged persons	1,759	10
Children and their families	12,364	71
Children in foster homes and institutions	730	4
Blind persons	94	1
Disabled persons	2,531	14
Total	17,478	100

The department spent $7,488,018 during the fiscal year, of which 47 percent was Federal funds. Of this amount, $6,507,817 was spent for financial assistance, of which 63 percent, or $4,111,498, was expended in behalf of children.

Department of Health, Education, and Welfare

More than 23 million dollars of Federal funds and property directly benefiting more than 38 thousand islanders were spent or made available in Hawaii under programs of the Department of Health, Education, and Welfare during the fiscal year ending June 30, 1957. Other thousands benefited substantially, though indirectly. The sum was distributed approximately as shown below:

	Number directly benefited	Distribution of Federal funds
Old-Age and Survivors Insurance (Administered by Federal Government only):		
Insurance payments	23,604	$13,042,416.
Estimated number "policy (Social Security card) holders"	375,950	
Public Health Service (administered by Federal Government only): Outpatient and dental clinics, protection against quarantinable disease from foreign sources, examination of Federal employees.	(1)	No direct distribution of Federal funds.
Public Health Service—Research, National Institutes of Health (University of Hawaii): Psychiatric social work.		$6,256.
Federal credit unions (private groups):		
Assets	$48,353,346	(2) (2)
Members	85,601	
Number of credit unions	147	
Public assistance (Territorial Department of Public Welfare): Federal grants for assistance to needy aged, blind, children, and disabled.	14,003	$3,255,476.
Child Health and Welfare Services (Territorial Department of Health; Territorial Department of Welfare): Federal grants for services for maternal and child health, crippled children; and child welfare.	(1)	$683,924.
Public Health (Territorial Department of Health): Federal funds for general and mental health activities, Hansen's disease, control of tuberculosis, heart disease, cancer, polio, water pollution, hospital construction, medical facilities survey and plan, and research.	(1)	$1,868,097.
Educational programs (Territorial Department of Public Instruction):		
Federal grant for vocational education	(1)	$182,334.
Federal assistance to schools in federally affected areas:		
Public Law 815 (construction)	(1)	$1,134,046.
Public Law 874 (operation and maintenance)	(1)	$1,450,142.
American Printing House for the Blind	12	$390.
Office of Education (University of Hawaii): College of Agriculture and the Mechanical Arts.	(1)	$74,985.
Vocational rehabilitation: (Territorial Office of Vocational Rehabilitation: Bureau of Sight Conservation and Work with the Blind).	907	$182,521.
Surplus property (Bureau of the Budget):		
Acquisition value of Federal surplus transferred to Hawaii for health and education purposes:		
Personal property received (materials and equipment)	(1)	$1,157,461.
Real property (land and buildings)	(1)	$146,983.
Other DHEW funds spent in Hawaii: For DHEW salaries and for local purchases of goods and services (estimated).	(1)	$414,671.
Grand total	38,526	$23,599,702.

These funds and surplus property reaching Hawaii through the Department of Health, Education, and Welfare contribute substantially to the stabilization of Island economy. More than $16,200,000, identified with Social Security programs alone, helped to cushion the disastrous effects that lack of income usually has on older people, children, and young families.

[1] Not available.
[2] This is a federally sponsored and inspected thrift organization which finances itself.

Department of Institutions

A marked reduction in employee turnover occurred this past year. At the same time recruitment of new personnel was facilitated. These improvements in the personnel area resulted from the repricing and reclassification action of Civil Service.

Hawaii Prison System.—The total prison population has reached the lowest point since the war years. This fact is all the more significant in view of the marked increase in the population of the Territory during the same period. One contributing factor to the decrease in prison population is the reduction of the recidivist rate. Of those inmates released during 1956, only 9 percent have been returned. This compared with a mainland average of approximately 25 percent for the same year.

In view of the above, it is reasonable to assume that an effective

rehabilitation program is being carried out. This certainly should be the case, for improvement programs for both inmates and employees are constantly in progress. New inmates are subject to an intensive orientation program. This is the beginning of their rehabilitation, from which they are channeled into well balanced work, vocational, educational, and recreational programs.

This past year a 15-hour course was given to all employees at Oahu Prison and more extensive work was done at Kulani. These courses were designed to develop all employees in professional goals, policies, and techniques.

The outstanding construction project was the completion, by contract, of a completely new prison plant for 60–80 inmates at Olinda, Maui. At Kulani, Hawaii, two new dormitories, a laundry and the major portion of a control and guard station were constructed. Prison labor only was used in this construction. While no major construction was undertaken at Oahu Prison, the plant was improved in appearance, both inside and out.

In the field of public service the prison took the leadership in attempting to establish the Hawaiian Methley plum as an important item in local markets. The prison assisted in the development of grades, packaging, labels, and sales material. In cooperation with other agencies, the prison conducted a reforestation program and pasture development.

Statistical comparisons of fiscal 1956 and 1957 are as follows:

	1956	1957
Resident population beginning fiscal year	590	574
Resident population end of fiscal year	574	530
Daily average population	573	553
Total expenditures	$923,036	$980,053
Cost per capita per diem	$4.40	$4.87

Territorial Hospital.—The major emphasis during the past year was on further development of treatment techniques. A new activity therapy program in the nursing service was begun and shows promise of being a very worthwhile and entirely new treatment development for psychiatric hospitals. An additional convalescent service was offered with the assistance of Queen's Hospital by this organization making available two offices.

The much discussed tranquilizing drugs were found to be helpful but also showed considerable limitations. They primarily represented a significant help to the problem of psychiatric nursing in the chronic wards.

Teaching and training programs were very active this past year. The psychiatric residency and staff training program consisted of

didactic lectures, seminars, multidisciplinary conferences, clinical conferences and individual supervision of treatment by individual and group methods. The psychiatric aid training program was reorganized and functioned more effectively throughout the year under new leadership.

Research projects were completed last year on the effects, both positive and negative, of tranquilizing drugs on mental patients. These studies showed that chlorpromazine is definitely a useful tool in the treatment of the mentally ill, but that its use must be carefully evaluated due to potential harmful physiological and psychological results.

Fiscal year statistics are as follows:

	1956	1957
Population beginning fiscal year	1,219	1,208
Population end of fiscal year	1,208	1,228
Daily average population	1,215	1,215
Total general expenses	$1,693,312	$1,765,492
Cost per capita per diem	$3.84	$3.98

Division of Training Schools.—As in the past, the officials of the Division of Training Schools have continued to concentrate on methods of producing more effective rehabilitative programs. Since the success of such programs is so dependent upon the personnel conducting them, training courses for employees were enlarged and intensified. In addition to the regular in-service training programs, employees were encouraged to attend related institutes, workshops, and other training courses directed at broadening their knowledge and experience in this particular field of child welfare. All employees were required to take three separate examinations on the history, philosophy, function, and objectives of the Division, as well as the responsibilities of the employee as outlined in the employee handbook.

Due to the variety of the programs offered the boys this past year, excellent participation was obtained. Examples of some of the programs are: carpentry, wood carving, housepainting, plumbing, masonry, landscape gardening, dairy farming, hog, poultry and beef-cattle raising. In addition to athletics, recreation, religious services and counseling, psychiatric interviews, social services and academics were provided.

The basic types of instruction for the girls are academics, vocational training, and personal care. The domestic science program covers a broad and thorough course in practical housekeeping. Personal care instruction is given for the purpose of cultivating the qualities of self-respect, respect for the rights of others, acceptable social attitudes, personal hygiene, and good grooming.

The coeducational academic program has proved to be most successful. Qualified teachers furnished by the Department of Public Instruction conduct classes for a total of 80 boys and girls. It is possible for any individual to qualify for a high school diploma since the courses are comparable to those offered by a regular high school.

The Molokai Forestry Camp established an enviable record in community accomplishment in addition to its cooperative reforestation program. It is most gratifying to find such overwhelming approval of the project and of the boys by the people of Molokai. The recidivous rate at the camp is extremely low, which reflects the value of this type of project.

Fiscal year statistics are as follows:

	1956	1957
Population beginning fiscal year	156	154
Population end of fiscal year	154	164
Daily average population	151	150
Total expenditures	$406,759	$431,920
Cost per capita per diem	$7.38	$7.92

Waimano Home.—More concern for the welfare of Hawaii's mentally retarded is being shown by each successive Legislature. This is a reflection of a more enlightened attitude toward the mental-health problem by the general public. These factors were mainly responsible for making possible improvements in the care, treatment, and training programs at Waimano Home this past year.

The critical shortage of personnel was somewhat alleviated by filling most of the positions authorized by the 1955–57 Legislature. An average of 212 positions was maintained throughout the year out of a maximum allowance of 220. Many key positions were filled including, for the first time, the long vacant institution supervisor position. Occupancy of the major administrative post in the care and supervision section has already resulted in better planning, treatment, and general programing in this area.

Repricing actions by the Department of Civil Service helped employee morale considerably. Unfortunately insufficient funds prevented establishment of the 40-hour week. Administration is quite conscious of the long working hours necessitated by the shortage of personnel. It is constantly studying methods of effecting some relief in this area.

Although there was a rather high incidence of illness in the community, the health of the patients was excellent the past year. One case of German measles occurred, the only case of a communicable disease. Polio vaccine was administered to 152 patients below the age of 20. A total of 98,932 treatments were administered to pa-

tients, including 478 emergency treatments to employees. Of 302 epileptics, it was necessary to administer daily anticonvulsive medicine to 135. Except in a very few cases, response to treatment was excellent.

The new dormitory facilities in the female area were kept filled to capacity. Occupancy of these modern, well-designed buildings by female patients has created a feeling of overall happiness on their part, noticeable to the most casual visitor.

While no physical improvements were made in the male area, this past year, the staff succeeded in rendering excellent care and treatment to all patients. A new dormitory will be constructed during the next biennium.

The two new wards of the hospital will be completed soon and will accommodate 75 additional patients.

Although Waimano has expanded greatly during the past few years, the operations section continued to meet their obligation in the patient treatment and training areas by effective management of the farm, laundry, food service and maintenance units.

Statistics for the year are as follows:

	1956	1957
Population beginning fiscal year	709	723
Population end of fiscal year	723	743
Daily average population	718	737
Total expenditures	$968,889	$1,077,439
Cost per capita per diem	$3.69	$4.00

Parole and homeplacement.—The Division of Parole and Homeplacement provides postinstitutional care and treatment for wards committed to the Division of Training Schools and the Division of Waimano Home, an institution for the care and treatment of the mentally deficient and those afflicted with epileptsy.

During the course of initiating parole supervision, parole officers have the responsibility of establishing contacts with the inmate's family as soon as possible after the offender is committed to an institution in order to become personally acquainted with the family, to help interpret to them the long range problems resulting from the commitment; to describe and refer to agencies from which they can obtain services to meet these problems; to help family, friends, and employers to accept the individual as an inmate, as well as to lay the foundation for ultimate parolee's acceptance and readjustment in the community; and to provide an effective liaison between field and

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institutional staff as they jointly engage in the interpretation of parole and treatment goals.

Through systematic evaluation and revision of policies and procedures, an integration of the Division of Training Schools and the Division of Parole and Homeplacement treatment programs has been effected. As a result, the transition from institution to community life has been greatly facilitated for the wards being paroled. Likewise, a close liaison and spirit of cooperation has developed between workers of both divisions.

Classification committees with representation from both divisions are now routine procedures and a better understanding and more effective training has resulted. A system of preparole classes staffed by institution and parole personnel has been initiated during the past fiscal year for Koolau Boys' Home inmates tentatively considered for parole.

A better integrated program between the Division of Parole and Homeplacement and Waimano Home was made possible in April this year, when the administration of both divisions, with the assistance of the Director's office, adopted a written policy clarifying areas of responsibility and authority between the divisions leading to more effective procedures.

The Division operating cost for fiscal 1956–1957 was $64,623 as compared with $58,235 the previous year. Per diem cost of ward supervision was 71½ cents for the year as compared to 63 cents for the previous year.

Board of Paroles and Pardons.—For fiscal purposes only, the Board of Paroles and Pardons is affiliated with the Department of institutions. Following is the report submitted by the Board:

The Board of Paroles and Pardons held 12 monthly meetings at Oahu Prison with an additional meeting with prisoners at Kulani Prison Camp on the Island of Hawaii.

It granted 133 paroles as against 88 discharges from parole, fixed maximum terms of imprisonment for 185 cases, and revoked 28 paroles. Number on parole at the end of this period totaled 898, but 531 live within the Territory.

Of highly significant importance is newly enacted legislation which: (*a*) relieves the Governor of responsibility for approving paroles and (*b*) provides for Hawaii's entrance into agreements with other States and/or Territories and possessions for the supervision of persons on probation and parole. This is regarded as evidence of a desire to keep abreast of the times.

Hawaiian Homes Commission

In 1956, the number of qualified applicants for lands under the Hawaiian Homes Commission Act, 1920, as amended, increased. This increase was brought about by two important factors. The first of these, an economic factor, was the influx into Honolulu of qualified Hawaiians from neighboring islands seeking employment opportunities which have diminished notably on those islands. The second of these, a social factor, was the condemnation of lands in Honolulu's long established and well settled congested and urban areas to make way for highways and other municipal developments. Aggravated by the restrictively high cost of land on Oahu, and particularly in Honolulu, the lot of the native Hawaiian on Oahu bordered upon dispossession and in the majority of cases he may well have been identified as a displaced person. The resulting conditions brought about by the current milieu, forced many native Hawaiians who heretofore felt no need for individual rehabilitation, to turn to the Hawaiian Homes Commission for succor. Thus, contrary to popular belief, we find today more native Hawaiians, defined by the Hawaiian Homes Commission Act as having 50 percent or more of Hawaiian blood, qualified as beneficiaries under the said act than during the decade immediately past.

The problem of placing qualified applicants is focused on Oahu where employment opportunities are most abundant and where the demand for residential land is the greatest. Despite this pressing condition, the Commission was unable during 1956 to open up and to have made available more land on Oahu to native Hawaiians for settlement. Those actually placed on the land on Oahu in 1956 were persons who replaced former tenants who had died, surrendered their holdings voluntarily or forfeited their right to tenancy by default. In a few instances existing lands already under occupancy by a tenant were subdivided to allow unused portions of such lands to be occupied and settled by relatives, in most cases sons or daughters of the tenants who now had families of their own. This practice, however, is deemed unsuitable at the present time for several reasons, the more important of which include the lack of sufficient domestic water in the Commission's settled areas of Nanakuli and Waimanalo, outside of Honolulu, and the congestion which is apt to result from subdividing the moderate sized holdings at Papakolea and Kewalo in Honolulu proper.

The inability of the Commission to make more lands available on Oahu is attributable to an insufficiency of funds in its home development fund, a fund which provides for the construction of nonrevenue producing improvements such as roads, sewerage and utilities. At

the end of 1956, this home development fund provided enough only to allow for maintenance of existing facilities and the piecemeal development of a small 14-lot subdivision at Waimanalo, Oahu, which progressed from the planning stage to the preliminary development stage at year's end.

The Commission's most notable achievement in making lands available in 1956 was the development of the Anahola Houselots in the Anahola area on the island of Kauai. Here a former sugarcane growing area straddling the main highway was converted into a residential subdivision. New roads, a domestic water system supplied from a deep well with the necessary pumping facilities, drainage and electricity carried over a new transmission line which connects and ties in with the former terminal of Waiahi Electric Co., Ltd., at Kealia Hill about 3 miles distant, will all contribute to making this new area fit for settlement. The construction and development of Anahola Houselots was made possible by a generous appropriation by the Territorial Legislature in 1955. The subdivision should be completed and ready for settlement by the latter part of 1957. This will be the first area opened up for settlement under the Hawaiian Homes Commission Act on the island of Kauai.

On the island of Hawaii, no new areas were opened to settlement in 1956. The only activity which suffered a setback on Hawaii was an abandonment by several homesteaders of the growing of passion fruit in the Panaewa region. This was the result of a recession in the passion fruit market, but a few homesteaders who grew passion fruit under contract are still maintaining their farms satisfactorily and profitably. To offset this, however, a few of the more energetic homesteaders have gone into coffee growing and the result of their efforts will be notable in the next few years.

In the Waimea region of Hawaii, the pastoral homesteaders have, on the whole, done fairly well. Many of these pastoral homesteaders who had been awarded 300 acres each 5 years ago without regard to their aptitude for ranching, are now on the threshold of either success or failure. On the other hand, the farm homesteaders in this same Waimea region are all doing fairly well with the exception of a few who have been kept going only by the constant prodding of the Commission's staff.

The Commission's Molokai project is faced with the prospect of being revitalized. During 1956, the first actual work was started on the new Molokai water project which, it is hoped, will furnish water for the presently parched but rich soils of the Hoolehua plain and eventually, it is hoped, the alluvial lowlands of Kalamaula. This will make possible the utilization of land now sparsely vegetated because of the lack of sufficient water for agrarian production. How-

ever, the most outstanding problem on Molokai at present is the economic poverty of the island. Employment is scarce and useful production is confined to pineapple cultivation and ranching. With the prospect of water in the near future, it is hoped that the entire picture will be changed for the better.

Future planning is dependent largely upon the availability of proper funds to carry out new developments. At the moment, the prospect for increased funds is not too bright, therefore, much of the work in the immediate future will be concentrated on keeping our present improvements in proper maintenance and repair so as to derive the maximum of use from these improvements. It is also hoped that land exchanges now being negotiated with the Territorial Land Commissioner will result in the attaining of desirable land contiguous to the presently settled homestead areas at Waimanalo, Oahu, where expansion of settlement can be achieved with a minimum of expenditure.

Hawaii Housing Authority

The report for the 1956 fiscal year noted a continuation of a tightening of the housing situation on Oahu. By the end of the 1957 fiscal year the situation had become acute. Because of this acuteness which had developed early in the year, and because of the prospect facing the community of relocating some 4,300 families scheduled to be displaced by highway construction, airport expansion and other governmental projects, the Governor convened a housing conference which was held at the Reef Hotel on December 6 and 7, 1956. It was the first conference of its kind ever held in the Territory. At the request of the Governor, representatives of the Housing and Home Finance Agency and its constituent agencies, the Community Facilities Administration, Urban Renewal Administration, Federal National Mortgage Association, the Federal Housing Administration and the Public Housing Administration, participated with representatives of the military services and of local governmental agencies.

Representatives of the various Federal agencies outlined the aids which the United States Government can provide, mostly to private enterprise, to make more housing available to the community. Miss Annabelle Heath, Deputy Administrator of the Housing and Home Finance Agency, representing Administrator Albert M. Cole, announced the approval by the Administrator of a workable program, submitted by Mayor Blaisdell, for the control of blight in the City and County of Honolulu. Approval of the workable program for Honolulu makes additional financial aids available to private

builders and to purchasers of homes. Without such approval, the Authority could not proceed with its accelerated program for construction of much needed additional federally aided low-rent housing. Comparative figures on applications for housing on Oahu received by the Authority during the 1956 fiscal year are shown in the following table:

Applications	July 1, 1955, to June 30, 1956	July 1, 1956, to June 30, 1957
Active—carried forward from previous year	976	1,246
Received during year	4,023	3,994
Total processed during year	4,999	5,240
Active June 30	1,398	1,474

The above table does not fully reflect the increase in the number of applications received during the fiscal year over those received during the previous year. Up to and including December 31, 1956, when a family filed for both federally aided low income housing and territorially financed housing, both applications were counted. Since January 1, 1957, two applications from the same family have been counted as one. Two hundred thirty-eight of the 1,474 families with active applications as of June 30, 1957, have applied for housing in more than one of the Authority's programs. Placements during the year were 1,106. The number is indicative of the continued low turnover rate. A tabulation of rental advertisements in the Saturday editions of the Honolulu Star Bulletin bimonthly January through June 1957, totaled 465 listings. A similar study conducted for the same period of 1956 developed a total of 962 listings, and one for the period January through June 1955, 1,498 listings. Comparison of the three totals dramatically points up the problem. It is also of significance that of the 465 listings, only 94 were advertised at specified rents of less than $70 and that of the 94, 89 were for studio or one bedroom apartments. The completion of Palolo Valley Homes, TH 1–8, a 118-unit federally aided low-rent project on which work was commenced on June 29, 1956, was nearing completion at the end of the fiscal year. Forty-four families had been placed in the first seven buildings completed. Cost of the entire project, scheduled for completion in August 1957, was estimated at approximately $1,260,000.

An annual contributions contract for the construction of an additional 152 unit low rent housing project with Federal assistance was executed with the Public Housing Administration at the beginning of the fiscal year—in July. The new project, Kaahumanu Homes, TH 1–9, will be built on an 8½-acre site adjoining Kamehameha

Homes, TH 1–1. The 152 units will be contained in 14 concrete structures which will cost about $2,150,000. Award of a contract for the project construction was scheduled early in fiscal 1958.

In September, the Authority completed the relocation of some 520 families who had been living in 25 multi-unit converted barracks and quonset huts at the Honolulu International Airport. At the request of the Hawaii Aeronautics Commission, the Authority had taken over the operation of this housing for deprograming. While the Authority was occupied with the relocation of the families, a temporary emergency project, Kapalama Emergency Homes, was rushed to completion on land adjoining the Honolulu Technical School. The site was made ready, water mains and other utilities were installed, and 71 vacant temporary duplex buildings were removed from Manoa war homes, a temporary project which is being deprogramed, and hauled by truck across town to the site. Previously scheduled for demolition, the buildings were rehabilitated to provide quarters for 142 families. A Relocation Section was established at the Airport to assist those who could not be placed in Kapalama emergency homes or in the Authority's other projects, to find homes in the private market at rentals within their financial means. The section was instrumental in finding homes for 45 of the families. Other families were helped to find their own homes.

A contract was awarded in the third quarter of the fiscal year for the construction of a 20-unit addition to Puahala Homes for $237,340. Completion was scheduled for September. In May, the Commissioners authorized preparation of plans and specifications for a second addition of 40 dwelling units.

In January, an application was made to the Public Housing Administration for a program reservation of 900 low-rent units against the approved congressional allocation. Approval was received, and the Authority has proceeded with plans for the construction of the 900 units. A site has been selected and a development program submitted for the construction of a 624-unit project. The development program has been approved by the Housing and Home Finance Agency, and an annual contributions contract to provide Federal assistance was executed by the Authority on June 28, 1957.

House Resolution No. 97 of the 29th Legislature requested the Authority to accelerate its plans for the construction of housing for the aged. Accordingly, 50 of the 624 units will be especially designed for that group. The site is in the Kalihi-Kai section of Honolulu and the project is estimated to cost in the neighborhood of $9,400,000. The Authority is now considering several alternate sites for the location of the remaining 276 units of the 900 unit reservation.

The Legislature, by House Resolution No. 85 also requested the Authority to increase its program of construction of low-income housing, and in May the Authority submitted a request to the Public Housing Administration for an additional reservation of 600 units.

It seems apparent that the Authority will be unable to relocate all of the some five hundred families still living at Manoa war homes, a temporary war housing project. Termination of the project has been scheduled for June 30, 1958, the date beyond which the Authority's tenure to the parcels comprising the site may not be extended under the terms of the Authority's existing leases with the property owners. Because of the critical situation, the Commissioners of the Authority have directed the staff to negotiate for extensions to the leases. The number of units to be kept in operation will depend upon how many of the families presently in occupancy at the project can be relocated prior to the June 30, 1958, date. It is anticipated that the residual project will comprise approximately 300 dwelling units.

In compliance with Act JR–51, SLH 1955, the Authority contracted with the Bureau of the Census for a survey of housing characteristics as they relate to housing need for persons 65 years of age and over in Honolulu. The survey results show (*a*) that although 11.6 percent of the elderly persons questioned are employed, three-fourths of all elderly individuals reported incomes; (*b*) 95.9 percent of all single elderly individuals queried stated that they were satisfied with their present living accommodations; (*c*) 81.7 percent of single elderly persons physically capable and willing to move had incomes of less than $1,500 a year. The median income of all persons in this group is $900 per year.

The following conclusions have been drawn from the survey: (*a*) the need for housing for single individuals 65 years of age and over in the city of Honolulu is not as great as it had been estimated, prior to the development of factual data; (*b*) the incomes of the group are such that they could not pay rentals sufficient to permit the Authority to operate a housing project for individuals 65 years of age and over without subsidy, both for operation and amortization; (*c*) the trend data indicates an ever-increasing problem of providing housing for the elderly; (*d*) it is economically feasible for the Authority to provide housing for the elderly only in one of its federally aided low income projects; (*e*) that units developed to meet special needs of the elderly should be one bedroom dwellings which could be rented to couples who meet the eligibility requirements, if the Authority were unable to keep all such units rented to single elderly persons; (*f*) it would not be economically feasible to construct housing for the elderly under the provisions of Act JR–51, SLH 1955, unless the Act were

amended to provide an outright appropriation for the development cost and a subsidy for the project's operation.

A report containing the Authority's analysis of the survey conducted by the Bureau of Census and conclusions reached through study of the data developed, has been distributed to the Governor, the members of the 1957 legislature, and interested agencies, governmental departments and individuals.

As stated above, the Authority is including plans for 50 single-bedroom units for elderly persons in its planned 624-unit project which will be known as Kalihi-Kai Homes, Project TH 1–10.

During the special session of the Territorial Legislature in 1956 the House of Representatives, by House Resolution 14, requested the Authority to make a study of the need for constructing housing for migratory coffee pickers in the Kona area of the island of Hawaii. The study was completed in February 1957 and a report submitted to the 29th Legislature. The report contained the following conclusions and recommendations:

The housing being provided is inadequate and poor in quality.

The amount and quality of housing furnished adversely affects the recruitment of labor by the Employment Service during the peak season. Workers will often refuse employment if housing is not available.

It is estimated that 400 to 600 migratory pickers will require housing during the 1957 season.

That coffee farmers be urged to plan for labor shelters as their acreage is expanded or developed, and include the labor shelters in planning for farm facilities.

That farmers be encouraged to avail themselves of the financing aids available from banks, developers, other lending institutions, and/or the Farmers' Home Administration.

That builders and lenders be encouraged to develop and finance an economical dual purpose shelter.

That the individual coffee farmers with small acreages be encouraged to form cooperatives to provide labor shelters if unable to provide labor shelters due to the size of his farm.

That the landowners be encouraged to sell land in fee to the farmers, or lease on a long-term basis so as to be eligible for financing.

That the Legislature adopt a resolution requesting the Congress to amend the Bankhead-Jones Farm Tenant Act for an exception in Hawaii to allow the making of real estate mortgage loans on long-term leased land, a copy of this resolution to be sent to the Adminis-

trator of the United States Department of Agriculture, Farmers Home Administration, Washington, D. C.

That Government not compete with private enterprise in providing labor shelters for any specific industry.

Payments in lieu of taxes were made by the Authority to the city and county of Honolulu in the amount of $77,136.99 and to the county of Hawaii in the amount of $4,204.49 for the calendar year ending December 31, 1956.

During the year the Authority prepared and issued to all its employees both a Safety Manual and an employees handbook. Prior to publication the content of the Safety Manual had been improved by the Industrial Safety Engineer of the Territorial Labor Department. The period also saw the inauguration of the publication of an employees' monthly newsletter called "Hui Lokahi" which means "working together."

Territorial Council on Veterans Affairs

The Territorial Council on Veterans Affairs is a Territorial Agency established to assist former, present and future members of the Armed Forces of the United States and their dependents in securing benefits or privileges to which they are or may become entitled under Federal or State law or regulation.

Specific types of cases handled for the fiscal year include: Claims for mustering out pay; claims for back pay; obtaining jobs and reemployment; unemployment compensation; securing vocational training and education; assistance in obtaining loans; obtaining medical attention; disability pension; national service life insurance; recording of documents; surplus property; housing; dependent allotments; survivors of soldiers killed in action; aid in filing applications; lost discharges; bonuses; changes of name; immigration and naturalization of foreign brides; disposition of remains; and review of discharges other than honorable.

The total of all cases handled exceeds 17,000. From the best figures available it is estimated that there are in excess of 73,000 veterans of all wars in the Territory. It is also estimated that for every veteran there are 2½ persons interested in and potentially entitled to some benefit because of the veteran's service.

In addition to its other functions the Veterans Council also acts as a liaison office between the various veterans' groups and the military, and assists in the coordination of public ceremonies such as Memorial Day, Veterans Day, and Armed Forces Day.

PUBLIC SAFETY

Civil Defense Agency

In March 1957, tidal waves generated by an earthquake in the Aleutian Islands struck the Hawaiian Islands causing heavy damage to the northern shores of Kauai and Oahu, and lesser damage to Maui and Hawaii.

Fortunately, there were no deaths attributed directly to the waves. President Eisenhower declared the stricken areas major disaster areas opening the way for Federal disaster assistance to be administered by the Federal Civil Defense Administration.

The Territorial Civil Defense Director was named by the Governor to direct disaster relief.

As a result of the tidal waves, steps were taken to improve the tidal wave warning system for Oahu and to bring the neighbor island systems up to date.

On Oahu, coastal sirens will hereafter be used for tidal wave alerts, in addition to loudspeakers mounted on vehicles and aircraft, radio broadcasts, and house-to-house warning by the CD warden service.

A limited CONELRAD plan for broadcasting vital information and instructions during civil defense emergencies went into effect during the past year.

Under the CONELRAD (short for control of electromagnetic radiation) alert system, all emergency broadcasting will be done at 640 kilocycles on the standard AM radio. All other radio and television stations will shut down during an alert.

The CONELRAD plan was completed by representatives of all the Armed Forces, Civil Defense, Federal Communications Commission, and the local broadcasting industry.

The Territory was reimbursed $76,890 from the Federal Civil Defense Administration for the cost of evacuation, road repair, and care for evacuees as a result of the Puna volcanic eruption in 1955. The money was turned over to the county of Hawaii which paid for the cost of rehabilitation.

The special Civil Defense survival plan project for Hawaii got underway.

The project is a nationwide undertaking initiated by the Federal Civil Defense Administration which is assuming the entire cost of the study. It will take about a year to complete.

The study will seek detailed answers to problems of evacuation, mass care, medical facilities and sanitation, logistics and supply.

Another unit of the 200-bed civil defense emergency hospital was received, making a total of four such units now in the Territory.

The latest addition was donated by the Federal Civil Defense Administration as part of its medical stockpiling program at no cost to the Territory. Of the four units in the islands, the Territory paid for only half of one, under the matching funds program. Each unit is valued at more than $28,000.

The Oahu Civil Defense Agency published a "Guide to Defense Against Nuclear Attack," giving a detailed evacuation plan for Honolulu and vicinity in case of enemy attack, provided there is sufficient warning time. Initial widespread distribution was accomplished by having the "Guides" distributed with the city telephone directories.

The Territorial and County Civil Defense Agencies participated in the third annual nationwide Civil Defense exercise Operation Alert 1956 in July.

The first annual Civil Defense Week was observed in September 1956.

A new phase in the procurement of Civil Defense supplies and equipment has been opened with the enactment of Public Law 655 by the 85th Congress (70 Stat. 493), which authorizes the donation of Federal personal property to States and Territories for civil defense purposes. Previously, Federal surplus property was donated only for use by health and educational agencies. Public Law 655 stipulates that all acquisitions for civil defense use must be processed through the Territorial Surplus Property Office.

The Governor's reappointment of Maj. Gen. F. W. Makinney, Adjutant General of Hawaii, as Territorial Civil Defense Director was confirmed by the Senate.

The Civil Defense Act was extended to June 30, 1959, by action of the Legislature and the Governor, who signed a bill (Act 58 SL 1957) into law.

Military Department

Strength and Organization. On June 30, 1957, there were 5,624 officers, warrant officers, and enlisted men in the Hawaii National Guard, 4,731 individuals in the Army National Guard, and 893 individuals in the Air National Guard. There was a total decrease of 350 individuals during the fiscal year, a decrase of 358 individuals in the Army Guard and an increase of 8 individuals in the Air National Guard. The decrease in strength is chiefly attributed to a ceiling strength of 4,460 enlisted men in the Army Guard imposed by the National Guard Bureau as of the end of the fiscal year. The highest strength attained during the fiscal year was 5,795 on March 31, 1957. However, this peak strength was reduced to the year-end strength to comply with

the ceiling strength imposed upon the Army National Guard. Of the 1,497 discharges of enlisted personnel during the fiscal year, 521 were for entry into the regular services, 200 for expiration of enlistment, 186 for change of residence, 95 for continued absence from drills, and a total of 495 for other reasons. The strength of 5,624 on June 30, 1957, represents 71.8 percent of the authorized strength for all active units, 69.3 percent for army units, and 88.9 percent for air units.

There were several major organizational changes during the fiscal year. On November 1, 1956, 3 units of the 299th Infantry Regiment were inactivated and a rifle company was redesignated as a rifle platoon. On Kauai, units of the 3rd Battalion of the 298th Infantry were redesignated units of the 2nd Battalion 299th Infantry. As a result of the above, units of the 299th Regimental Combat Team were stationed on all of the major "outside" islands, namely, Hawaii, Maui, Kauai, and Molokai. Also, on November 1, 1956, 3 units of the 1st Battalion 298th Infantry and the 227th Engineer Company were redesignated as the 227th Engineer Battalion. On December 3, 1956, and January 7, 1957, the remaining units of the 298th Infantry Regiment were redesignated and reorganized as the 298th Antiaircraft Artillery Group consisting of 3 Antiaircraft Artillery Battalions and 4 smaller Antiaircraft Artillery units. The 298th AAA Group was organized at the request of the Department of the Army to provide antiaircraft defense against air attack on the island of Oahu.

Training, Inspections, and Operations.—The training of Army and air units was conducted essentially along the same lines as in the past years, and consisted of regularly scheduled armory drill periods of 2 hours' duration, weekend assemblies of 8 hours' duration, and 15 days of field training. Field training was held during the period June 15–29, 1957, for all units of the Hawaii National Guard. The attendance totaled 5,221 individuals, 4,437 in Army units, and 784 in Air units. For the Army units, the attendance figure represents 97 percent of the assigned strength and for the Air units 98 percent.

Other training included individual study of extension courses, attendance at Army and Air Force service schools, and participation in the 11-week, 4-month, and 6-month active duty for training programs. A total of 328 officers and enlisted men attended such service schools, 168 Army and 160 Air. In addition, 139 enlisted men of the Army National Guard entered the active duty for training programs, 84 individuals for 6 months, 4 for 4 months, and 51 for 11 weeks.

Representatives of the Regular Army and Air Force conducted the required periodic inspections of National Guard units during the year. The ratings were in all cases very favorable.

During March and April 1957, members of Army units of the Guard

supported civil defense agencies in disaster relief activities during the tidal wave emergency on the island of Kauai.

Facilities and Real Estate.—The armory construction program, supported by Federal and Territorial funds at a ratio of about 65 percent Federal funds and 35 percent Territorial funds, progressed very satisfactorily with the completion of two projects and the starting of two projects during the fiscal year. The construction of a one-unit armory at Olaa, Hawaii, was completed in May 1957 at a total cost of $125,055.82 including $80,249.41 of Federal funds and $44,806.41 of Territorial funds. The construction of a one-unit armory at Kapaa, Kauai, was completed in June 1957 at a total cost of $133,880.51, including $91,325.10 of Federal funds and $42,555.41 of Territorial funds. Under contract and approximately 60 percent completed is a one-unit armory at Kahului, Maui, costing a total of $130,292 of which the Federal Government will pay $92,193 and the Territory $47,099. During June 1957 a contract was awarded for the construction of a three-unit armory at Wahiawa, Oahu. This armory will cost $251,997 of which the Federal share is $173,470.55 and the Territorial share is $78,526.45.

Two important nonarmory projects supported 100 percent by Federal funds were completed during the fiscal year, a motor vehicle building at Hilo, Hawaii, at a cost of $36,976 and a motor vehicle storage building at Paukukelo, Maui, at a cost of $17,765. In addition to the above, a total of $128,677.34 of Federal funds and $31,886 of Territorial funds were expended during the fiscal year for repairs, maintenance, and improvements of facilities occupied by Army and Air National Guard units.

Fiscal Support.—A total of $6,605,839 was spent in support of the Hawaii National Guard during the year for normal operations and excluding capital projects. Of this sum, $6,059,910.25 were in Federal funds ($4,360,452.40 for Army units and $1,699,457.85 for Air units) and $545,928.75 in Territorial funds. These figures represent an increase of $974,259.25 in Federal funds and an increase of $27,460.75 in Territorial funds over the amounts expended in fiscal year 1956. The amounts expended this year represent a ratio of $11.10 of Federal funds to $1 of Territorial funds, an increase from the $9.07 to $1 ratio last year.

AGRICULTURE AND NATURAL RESOURCES

Department of Agriculture and Forestry

Sugar.—The production of sugar, the most important agricultural crop, decreased 40,569 tons from the 1955 total and amounted to

1,099,543 tons of 96-degree sugar. The value of the crop which was grown on 220,600 acres increased about $2,500,000 to $148 million.

Pineapple.—Pineapple acreage remained at 77,000 acres and the total pack of canned pineapple and pineapple products increased 1,164,000 cases from the 1955 total and amounted to 30,577,000 cases. The export value of the crop amounted to $117 million, an increase of $7 million.

Coffee.—Although acreage devoted to coffee increased 12 percent over the previous year to 5,763 acres, production decreased 1,242,000 pounds and income decreased $931,000 to $5,480,000.

Fruits and Vegetables.—The harvest acreage in fruits and vegetables increased approximately 2½ percent to 6,269 acres. production of 66,255,000 pounds was about 5 percent below the 1955 production. Export shipments of papayas amounted to 1,568,000 pounds, a healthy 64-percent increase over the 1955 low total. Export shipments of fresh pineapples were 11,972,000 pounds, 29 percent more than in 1955. In addition, 280,000 pounds of ginger root and 147,000 pounds of lotus root were exported.

Animal Health.—Avian tuberculosis was diagnosed in the Territory for the first time in a poultry flock on the island of Maui. Control and eradication measures included the slaughter of all susceptible birds that had been in contact with the diseased birds and demolition, disinfection and reconstruction of the poultry area.

The incidence of bovine tuberculosis increased during the year. The infection rate in a small dairy amounted to 31 percent on routine annual test. In another outbreak in a beef herd, over 20 percent of animals sent to slaughter were found to be infected. In a second small herd in which infection had been detected at slaughter previously, the cattle were finally put to test and 11 reactors removed. All infected herds are under quarantine for retesting.

The first outbreak of hog cholera observed on the island of Maui in 6 years occurred during the last quarter of the year. Quarantine and vaccination confined the outbreak to three herds comprised of 60 animals of which 23 succumbed to the disease.

Investigation of the deaths of imported dairy cows which occurred in quarantine and a few days' postquarantine from an enterotoxemia-like condition disclosed that *Clostridium perfringens*, type D toxin, was present in the animals. An exact diagnosis was complicated by the finding of significant quantities of arsenic in the tissues of two of the animals. Further investigation revealed that type D toxin can be found in normal animals after slaughter and in animals experimentally poisoned with arsenic. These investigations failed to produce a positive diagnosis of the cause of death of the imported

animals, but they did reveal the need for considerable further research on this problem.

The anaplasmosis control and eradication program progressed satisfactorily. During the year 78,949 tests were conducted, including imported cattle, dairy and beef herds, and samples collected at slaughter. Owners of 87 reactors ordered to slaughter were paid $15,399.18 in Territorial and Federal indemnity. At the beginning of the fiscal year 77 herds were under supervision. Of that number 28 had two clean tests, 26 one clean test and 23 contained reactors. Of those herds containing reactors, 20 obtained clean status during the year. Other dairy herds tested for the first time during the year totaled 17 of which 6 had two clean tests and 11 one clean test.

By fortuitous circumstances a new body tick of large animals was intercepted early in January 1957 on a horse imported from Montana in mid-December. The tick was identified as *Dermacentor albipictus*, a known vector of anaplasmosis. Prompt reporting of the presence of the tick made it possible to develop a program of eradication. As the fiscal year closed, no spread of the tick had been observed.

The rabies section of the Animal Quarantine Station operated under emergency conditions throughout most of the period under review. A critical lack of kennel facilities for the greatly increased number of dogs and cats being imported constituted a major problem during the first half of the period. Emergency funds were provided for the construction of 40 kennels and 36 temporary runs. During the third quarter, the station was twice flooded by heavy rainfall requiring emergency installation of pumping facilities to keep kennel spaces above water; cattle under quarantine had to be moved to temporary facilities in the Fort Armstrong area. During the last quarter dog and cat importations reached the highest number ever recorded and shortage of kennel space again created an emergency. Fortunately, funds were provided for 40 new kennels by the 29th Legislature and construction negotiations were underway as the year ended.

Two legislative acts were adopted by the 29th Legislature which have materially increased the scope of activities of the Division of Animal Industry. Act 172 mandates the board to adopt standards for the grading of beef, pork, mutton and lamb by January 1, 1958. Act 229 authorizes the board to engage in a brucellosis control and eradication program and to pay indemnities for reactor cattle sent to slaughter. Thus, Hawaii joins the 48 States, Puerto Rico and the Virgin Islands in the national effort to eradicate brucellosis.

Pest Control (Biological).—Hawaii maintains a continuing program of controlling insect, animal and plant pests through the intro-

duction of the pests' natural enemies. To this end, entomologists carry on continuous explorations in practically all parts of the world. During this period, 417,419 beneficial insects and 9,921 carnivorous snails were reared and released for field establishment. Funds contributed by the local Cattlemen's Association and the governments of Fiji, Australia, and the Trust Territory enabled the department to undertake a major joint biological control project for the suppression of *Lantana camara*, a serious weed pest in those countries as well as in Hawaii.

Major pest control projects during this period included the following: (*a*) Noxious weeds: Lantana (*Lantana camara*), sour bush (*Pluchea odorata*), gorse (*Europaeus*), Christmas berry (*Schinus terebinthifolius*), firebush (*Myrica faya* and *M. cerifera*), pamakani (*Eupatorium adenophorum* and *E. riparium*) and emex (*Emex australia* and *E. spinosa*) (*b*) snails: Giant African snail (*Achatina fulica* and (*c*) insect pests: Aphids (*Aphis gossypii*), cattle hornfly (*Siphona irrtans*), fruitflies (*Dacus dorsalis* and *Ceriititis capitata*), melonfly (*Dacus cucurbitae*), mango thrips (*Selenothrips rubrocinctus*), armyworm (*Spodoptera mauritius*), kiawe moth (*Ithome concolorella*), cocoanut leaf-miner (*Agonoxena argaula*) and taro leafhopper (*Tarophagus prosopina*).

Plant Quarantine.—The Bureau of Plant Quarantine enforces Federal and Territorial laws and regulations governing the import and export of all plant materials and nondomestic animals. A total of 5,955 ships and aircraft, 3,838,533 parcels of horticultural imports, 1,291,711 export and interisland parcels and 18,972 pieces of baggage were inspected. In addition, the inspectors inspected 102 shipments of beneficial organisms, 13,435 nondomestic animals, 93,084 cases of eggs and 19,164 foreign plants under postentry quarantine.

A total of 574 lots of prohibited materials were intercepted and destroyed or refused entry. These include 2 alligators, 6 African clawed toads, 10 live insect cocoons, 320 insect interceptions and numerous exotic pests. One hundred lots of restricted animals which arrived without permits in violation of the Board's regulations were held until approved.

Wildlife Management and Research.—For the third year in a row, excellent results were recorded on public hunting areas in Hawaii.

The annual game bird season ended on January 13, 1957, with 13,700 game birds taken only on public hunting areas. This represents an all-time high take as well as a high one in participation. Since 1953, the game bird take has risen from 1,800 to 13,700 while participation has increased from 2,000 in 1953 to 11,500 hunters this

last season. Many additional thousands of game birds were taken on areas other than public hunting areas.

On the Mauna Kea Game Management Area, an all-time high of 770 sheep were taken during the 8-month open season.

On Lanai 396 hunters bagged 74 buck deer during a 2-day season while a special goat season in the Maunalei area resulted in 400 hunters bagging 212 goats.

On forest reserve areas throughout the Territory hunters bagged 2,794 feral pigs, 736 feral goats, and 232 wild cattle.

Twelve new goslings were added to the Pōhakuloa flock, making a total of 34 nene (Hawaiian goose) at the project. Excellent results were obtained in the ecological survey being conducted by Dr. William Elder of Missouri and Fish and Game staff members. Twenty-five nene were seen in nesting areas on Hawaii. Eleven of these birds were young raised this year and two broods were captured and banded with brightly colored plastic bands so that they could be identified later.

The nene was declared the official bird of the Territory of Hawaii when the Twenty-Ninth Legislature of Hawaii passed a concurrent resolution to that effect. This, coupled with the success of the project, strengthens the chances of restoring the species to substantial numbers in the wild once again.

Several new game management areas were obtained during the year including the 800-acre Poipu area on Kauai and a 17,000-acre area in the Punakou section of Molokai Ranch on Molokai.

Negotiations are underway to obtain an additional area on Parker Ranch on Hawaii and some Hawaiian Homes Commission land on Molokai.

Legislation was passed by the 29th Territorial Legislature which will permit Hawaii to participate in the federal aid program on a state equivalent basis. This will approximately triple the wildlife federal aid allotment and double the fisheries allotment. Matching money was appropriated to allow Hawaii to receive an estimated amount of $240,000 in fish and wildlife Federal aid during the next biennium.

Fishery Management and Research.—The Territory of Hawaii's share of Dingell-Johnson Federal aid funds has been increased from $25,000 to approximately $49,000 per annum, effective July 1, 1957, as a result of H. R. 5790 becoming law, now Public Law 640, on July 2, 1956.

The commercial fish landings in the Territory for the calendar year 1956 totaled 16,420,015 pounds valued at $3,092,353.25 to the fishermen. This was an increaes of 1,069,439 pounds or 7.0 percent in weight above that of the previous calendar year. This increase

is largely attributed to aku catch which increased 1,437,711 pounds or 14.8 percent. In addition ahi (bigeye tuna) increased 117,284 pounds or 5.4 percent. However, there were decreases in the following species: Ahi (yellowfin tuna) 141,762 pounds or 31.8 percent, mahimahi 81,911 pounds or 30.9 percent, ulua 78,190 pounds or 45.9 percent, akule 149,612 pounds or 49.2 percent. Despite the increase in weight there was a slight decrease of $3,823.16 or 0.1 percent in value. The failure of the value to increase in proportion to the weight is largely due to price of ahis (yellowfin and bigeye tuna). Yellowfin sold for an average price of $0.28 per pound compared to $0.31 per pound in 1955. Bigeye sold for an average price of $0.31 per pound compared to $0.32 per pound in 1955.

Ecological as well as fish population studies were continued in the reef and inshore waters in an effort to obtain certain basic information essential for the intelligent management of our reef and inshore fish resources. In this connection, concentrated efforts were made in collecting environmental and biological data, which might give us some clue as to the factors governing fish abundance at selected areas along the Waianae coast of Oahu. Preliminary analyses of the data indicated that shelter is one of the most important factors governing fish density. This information is presently being verified by placement of specially designed concrete shelters in selected areas devoid of natural shelter.

The Division's exotic marine fish introduction program was an active one during the year. A mass introduction of exotic marine game and food fishes from the Society Islands, made possible by a special Economic Planning and Coordination Authority grant, was effectuated during the year. These fishes were released at selected sites around Hawaii, Maui, Oahu, and Kauai. Subsequent underwater surveys in certain of these areas revealed that the fishes were in good condition but no evidence of spawning has been found to date. Two mass introductions of bait fish (*Harengula vittata*) from the Marquesas Islands were also made through the cooperation of the Pacific Oceanic Fishery Investigations of the United States Fish and Wildlife Service. The first load which amounted to 21 buckets of sardines was released in Hanauma Bay, Oahu, and the second load which amounted to 64 buckets or an estimated 12,000 sardines was released off Pokai Bay, Waianae, Oahu.

This year's entire trout-stocking project was conducted with eyed rainbow trout eggs which were presented without charge to the Territory by the California Department of Fish and Game. With the use of Vibert boxes, 48,000 of these eggs were planted directly in the Hanawi and Haipuena Streams on Maui and in the Wailuku and

Honokanenui Streams on Hawaii. The remainder of the eggs were hatched and reared at the Kokee Hatchery and 18,000 fin clipped fingerlings were released in the Waiakoali, Mohihi and Kawaikoi Streams in the Kokee Public Fishing Area on Kauai. As predicted, the 1957 trout fishing was one of the most productive ever experienced at Kokee. During the first 2 days of the season more trout (1,048 fish) were taken than the previous year's entire season of 30 days (829 fish). It is anticipated that the total trout catch for 1957 will be in the neighborhood of 2,800 fish.

Experimental work on the establishment of peacock eye cichlid, channel catfish and smallmouth bass was continued. Other freshwater exotics which were introduced into the Territory during the year for observation and possible establishment are the *Tilapia melanopleura*, *T. macrochir*, *Kuhlia rupestris* and *Ambassis lala*.

The Wahiawa Reservoir was obtained as a public fishing area through a cooperative agreement made with the Waialua Agricultural Co. and a grant for the study of various species of Tilapia as possible tuna bait and market fish was obtained from E. P. C. A.

Fish and Game Law Enforcement.—There were 210 arrests made by the fish and game wardens on all islands during the fiscal year. Of this total, 135 cases were fishing violations, 58 cases were hunting and firearms violation, and 16 cases for miscellaneous violations. Forty-four percent of the total fishing cases were for the use of illegal mesh nets and 35 percent for taking of certain marine fishes during the closed season. Four of the fishing violation cases involved fishing with explosives. Hunting and firearms cases involved various violations including hunting without license, taking of game birds during closed season, and illegal entry on public hunting grounds. The 16 cases of miscellaneous violations were for trespassing in prohibited areas.

Table of arrests, convictions, etc., 1956–57

Islands	Arrests	Convictions	Fines	Suspended fines	Bail forfeitures	Fees of all licenses collected
Hawaii	31	8	$95	$25	$100	[1] $6,919.60
Maui	32	11	100	175	110	[1] 3,982.05
Molokai	9	5	75	25		1,436.50
Lanai	7	5	110			655.50
Kauai	15	6		110		[1] 1,947.55
Oahu	116	60	275	1,270	475	[1] 8,212.35
Total	210	95	[2] 655	1,605	[2] 685	[2] 23,153.55

[1] Includes sale of confiscated fishing and hunting gear.
[2] Income credited to county government where arrest is made.

Of the 210 cases disposed of by the courts, 15 percent of the cases were fined, 28 percent received suspended fines, 13 percent were bail forfeitures, 4 percent received suspended sentence and jail sentences, 12 percent were nolle prossed, 18 percent were juveniles and 10 percent were members of the military services.

Forest Reserve Areas.—The following is a breakdown of the total acreage of public and private lands set aside as classified forest reserves as of June 30:

Territory owned	819, 704. 025
Hawaiian Homes Commission	16, 402. 63
Various counties and city and county	2, 889. 26
Federal Government	10, 722. 37
Private lands	352, 174. 26
Total	1, 201, 892. 545

Tax Exempt Private Lands in Forest Reserves.—A total of 255,-156.06 acres of private lands in forest reserves was approved for tax exemption for 1957 and 11,075.16 acres disapproved because of non-compliance with the law by the owners. Out of a total of 352,172 acres of private lands in forest reserves, 95,897 acres were under long-term surrender agreements as provided under section 19–5, RLH 1955. With the enactment of Act 234 by the 29th Legislature, section 128–21, RLH 1955 (Forest land) is repealed and sections 19–5 and 149–184 (Surrender of private lands) are amended, thereby giving landowners the option either to surrender their lands to the Territory for a term of not less than 20 years to claim tax exemption or otherwise to remove such lands from forest reserve status by January 1, 1958.

Timber Utilization and Other Developments.—A grant in the amount of $8,359.26 was appropriated by the Economic Planning and Coordination Authority for (1) conducting a forest resource utilization investigation; (2) structuring a timber cruise; and (3) conducting a testing and grading program for Hawaii-grown timber species. As a result of this grant, a qualified forester in the department was sent to Australia, the home of the majority of exotics planted in the Territory since the turn of the century, to undertake a timber cruise. This was the first time that the department has undertaken such a project, and the results have been most encouraging and gratifying.

The 29th regular session of the Legislature passed Act 234, which, among other matters, provides that the Board of Commissioners of Agriculture and Forestry take immediate steps to secure the establishment and operation of a forest research center in the Territory by the United States Forest Service. In this connection, the act further provides that the Board cooperate with the United States Forest

Service in conducting a forest resource survey in the Territory, and, through photogrammetry and other techniques, gather information on (1) kind, volume and location of timber stands, (2) productivity, ownership, condition and extent of forest land, (3) rates of timber growth and depletion by cutting and destruction by insects, diseases and other natural agents, (4) present and prospective requirements for timber production, and (5) other data essential to an adequate appraisal of the timber supply and forest condition. To effectuate all of these matters, the act appropriates the sum of $20,000.

With respect to the establishment and operation of a forest research center in the Territory, the 29th regular session of the Legislature also passed Joint Resolution 35, which requests the Congress of the United States to appropriate the necessary funds to make the establishment and operation of such a center in the Territory a reality.

The provisions of Act 234 and Joint Resolution 35, as above outlined, are the culmination of efforts initiated by the Board of Agriculture and Forestry since August of 1956. Foreseeing the need of a more positive, progressive and realistic forestry program in the Territory in order to assure greater future utilization of our forest potential, and the fact that Federal assistance to achieve this objective was available, the department at that time initiated intensive negotiations with the United States Department of Agriculture Forest Service, through its offices in San Francisco and Berkeley, Calif., and Washington, D. C., to seek and obtain every Federal assistance possible. The response received was very encouraging and gratifying, and the negotiations resulted in the necessity of the Territory, through its Legislature, making certain initial moves in order to indicate to the Federal Government that it is definitely interested in obtaining any and all Federal assistance possible and that it is willing to fulfill all necessary requirements in order to obtain such assistance. Hence, the administration in the 29th regular session sponsored three measures: House Bill 502, relating to an apporpriation of $20,000 for a forest resource survey on the islands of Hawaii and Maui in cooperation with the United States Forest Service, which was not passed but whose provisions were incorporated into Act 234; House Joint Resolution 32, relating to requesting the Congress of the United States to appropriate funds for the immediate establishment and operation of a forest research center in the Territory of Hawaii, which was passed and is now designated as Joint Resolution 35; House Joint Resolution 72 requesting the Congress to extend to the Territory the provisions of title IV of Public Law 540 relating to a national program of tree planting, which was passed as Joint Resolution 33.

Also provided under the above-mentioned Act 234 is the sum of $15,000 to be expended for the development and regulation, through zoning, forest and other lands in the Territory.

Several revocable permits for only exploratory purposes were issued by the Board of Commissioners of Agriculture and Forestry to mining companies interested in the bauxite deposits in forest reserve lands.

During the year under review 51,585 timber trees covering an area of 145.56 acres were planted in the Molokai Forest Reserve. This program is jointly administered by the Board and the Department of Institutions. The manpower was supplied through the use of youths of the boys' training school honor camp.

Forest Fire Prevention and Suppression.—As a result of a long dry spell prevailing throughout the Territory during the latter part of the fiscal year, special precautionary measures were taken to ask the cooperation of the general public in the cautious use of fires not only in public parks but in private lands. During this period, six forest fires were reported, burning 56¼ acres of land.

Closer ties between the United States Forest Service and the Territorial Board of Agriculture and Forestry have been developed. One of these cooperative programs is the rural fire defense plan designed to cope with emergency fire disasters in the forest, pasture, brush and rural lands of the Territory in conjunction with the following agencies: United States Forest Service; Territorial Board of Agriculture and Forestry; University of Hawaii Extension Service; Territorial Civil Defense Agency, and the Hawaii National Parks.

Protection of Forest Reserve Areas.—A total of 140,132 feet of fence maintenance was carried out by the Division during the period under review besides the routine patrol by the forest rangers with particular emphasis on forest fires.

Nursery Management and Reforestation.—Nursery production from all territorial nurseries included 282,264 timber trees, 63,329 ornamental trees and 47,799 fruit trees, for a grand total of 393,392 trees. The same policy of production and sale of nursery stock to private land owners for forestry and other uses is still practiced.

Division of Territorial Parks.—With the recruitment of additional personnel in the Division of Territorial Parks and voluntary aid furnished by social agencies and clubs, some increase in the development and maintenance of the sixteen parks of the islands has been accomplished. Active and increased use of recreational facilities in the parks continued throughout the year.

Public Lands

Sales.—Highlighting the public land sales for the year was the public auction of 121 lots within the Diamond Head View Lots subdivision. At an average purchase price of $2.05 per square foot, the sale grossed the Territory $2,656,585.00 for 1,296,401 square feet of land in a choice residential area in the shadow of Oahu's famous Diamond Head. Formerly a portion of the Fort Ruger Military Reservation, the land was restored to the jurisdiction of the Territory of Hawaii in December of 1955. Eight additional lots will be sold upon completion of an access street to serve these lots. Within the subdivision, a triangular area of approximately 3 acres is reserved for park development.

Demand for house lots on Oahu was also evidenced at the sale of the 9-lot subdivision of the Old Manoa School Lot. Bidding brought the purchase price to 1½ times the upset price established by appraisal. These lots, with a total area of 58,500 square feet, were purchased for $121,300.

On the island of Hawaii 21 house lots in the district of Panaewa, approximately 2 miles out of Hilo town, containing an average area of 2.73 acres each, sold at public auction for $47,569.00.

Following is a summary of land sales in the Territory during the fiscal year, which total $3,488,964.72 for 522.60 acres of land.

Land use	Number sold	Area	Consideration
		Acres	
House lots	178	95.96	$2,948,221.86
Business lots	14	2.75	71,842.20
Industrial lots	1	.46	10,600.00
Act 478 84th Cong. (Direct sale of abandoned roads, etc.)	9	4.11	85,115.77
Rights of way	3	.41	17,575.00
Homestead-farm lots	51	418.91	355,609.89
Total	256	522.60	3,488,964.72

By islands	Number sold	Area	Consideration
		Acres	
Hawaii	37	166.13	$90,529.89
Oahu	169	217.28	3,215,524.55
Maui and Molokai	12	24.09	6,506.42
Kauai	38	115.10	176,403.86
Total	256	522.60	3,488,964.72

Leases.—Seven leases of public lands were sold during the year, covering an aggregate area of 2,932.59 acres at a total annual rental of $20,635.37. These included a lease of 1,353.30 acres of land on the island of Hawaii to be employed to the cultivation of sugarcane; of the remaining number, 3 leases were sold for pasture purposes and 3 for various business purposes.

Mining.—The discovery of bauxite in the Hawaiian Islands came to the fore during the year, with several aluminum companies exploring the possibilities of conducting mining operations in the Islands.

Studies have been initiated by this department in accordance with a legislative resolution which created a Mineral Resources Advisory Committee and appropriated moneys to the University of Hawaii and the Commissioner of Public Lands for studies and investigations of various aspects of bauxite mining operations. The committee, with the commissioner designated as chairman, is requested to work in concert with the University and this department to make a complete study, particularly as to the possibilities of adverse as well as favorable consequences of bauxite mining operations in the Territory, and to report its findings at the next legislative session.

Other actions pertaining to any minerals sale or leasing program await congressional approval of measures passed during the 1957 legislative session. Act 255, relating to mineral rights in the Territory of Hawaii, and Joint Resolution 41, providing for 65-year mining leases, require congressional action.

Survey Department

For the land court, 17 original applications, comprising 27 lots with a total area of 112.504 acres, were checked on the ground and reported out; 308 maps of subdivisions of registered titles were examined and approved, comprising 5,224 lots with a total area of 13,272.648 acres; 16 title and boundary studies in land court cases were made and reports submitted to the attorney general; 15 decrees were entered on applications concluded during the fiscal year; amendments to 10 cases before final adjudication were acted upon, mostly due to adjustments of easements and boundaries; 4 field checks were made for registration of accretion to existing land court properties, to determine the legal highwater mark; 1 consolidation was filed of existing land court properties, comprising 5 lots with an area of 6.608 acres.

Twenty file plans, comprising 525 lots with a total area of 123.434 acres, being subdivisions of private property filed for record in the Bureau of Conveyances, were subjected to check surveys and reports submitted to the registrar.

Four hundred and thirteen descriptions of survey with individual sketch plans attached, have been prepared and furnished Federal, Territorial and county offices. These were the result of field surveys or of compilations from office records based on previous surveys and of which 14 were for land exchanges covering roadways and land required for other public purposes; 174 for homestead, beach-lot, house-lot and town-lot subdivisions; 11 for school lots; 6 for park

sites; 12 for easement and pipeline rights-of-way; 61 for road realignments; 8 for abandoned ditch and railroad rights-of-way; 28 for harbor projects; 11 for airports; 15 for farm lots; 2 for national guard sites and 70 for miscellaneous governmental requirements.

Of new maps, 4 were registered and 8 plans and tracings were completed during the year.

Several inspection trips were made on the islands of Hawaii, Maui and Kauai of current survey projects.

45,715 prints have been furnished to the public and government offices.

The expenditures of the Survey Department for the fiscal year included $164,990.

PUBLIC SERVICE AND REGULATION

Secretary of Hawaii

During the past fiscal year this office handled the primary and general elections, and also its work in connection with the special sessions of the 28th and 29th Legislatures and the regular session of the 29th Legislature.

The primary election was held on October 6, 1956, and the general election on November 6, 1956.

The following is a breakdown of the total number of voter registrations and total votes cast in the general election:

	Registrations	Votes cast
Hawaii	25,569	23,191
Maui, Lanai and Molokai	16,754	14,702
Oahu	116,733	103,798
Kauai, Niihau	11,202	10,277

Total costs of the elections for 1956 were $99,181.75.

Reapportionment.—By virtue of the enactment of Public Law 895, 84th Congress, 2d session, approved August 1, 1956, amending the Hawaiian Organic Act to provide reapportionment of both senatorial and representative districts in the Territory of Hawaii, Governor's Proclamation dated June 27, 1957, abolished the six representative Districts, and created in lieu thereof 18 representative Districts, and increased the total number of precincts on Oahu from 84 to 86.

All precincts have been renumbered to conform with the new districts. The only additional new precincts are on Oahu.

Revised Laws of Hawaii, 1955.—Contract was awarded to Filmer Bros., of San Francisco, for the printing of 3,500 sets of the Revised Laws of Hawaii, 1955, for a total cost of $64,200.

Certificates of Hawaiian birth:	
Applications received	558
Certificates issued	563
Renewals issued	111
Certified copies issued	192
Total fees collected	$3,355.50
Petitions and decrees for change of name:	
Petitions received	732
Decrees granted	732
Total fees collected	$3,660.00

Department of Public Works

Construction contracts granted by this Department totaled $7,858,682.68, divided as follows: Highways, $4,700,734.34; general public works, $2,242,819.95; airports, $915,128.39. The 35 projects included work on all of the five major islands.

The most costly and dangerous project ever undertaken by the Territorial Highway Department—the tunnel section of the new Nuuanu Pali Highway—reached successful completion May 10, 1957. The most hazardous part of the job—the tunneling—was pushed through without loss of life or serious injury. The contractor finished the project a week ahead of his allotted time.

The most unusual precautions taken for the safe completion of this project will also be followed for the construction of the parallel tunnels, which will be advertised for bids in the fall of 1957.

Congress approved the $50 million Hawaii gas tax revenue bond issue in July 1956. The first bonds totaling $12,500,000 were marketed in October in New York. The interest rate, 3.83 percent, was considered satisfactory to the Territory in the light of the tight money market.

The Highway Department had no backlog of plans at the time the bond money became available. The bond portion of our $80 million accelerated program should hit full stride in the latter part of the 1958 fiscal year.

The Highway Department has been working with military leaders toward creation of an Hawaii Defense Highway System eligible to receive Federal aid on the same basis as the National Interstate and Defense Highway System.

Hawaii at present does not share equally with the States in the revenues from the new and higher Federal motoring taxes which became effective July 1, 1956. Creation of the Hawaii Defense Highway System, which would require an act of Congress, would correct this inequity.

Highway Accomplishments.—Nineteen Territorial highway projects, totaling $17,072,000 in estimated final costs, were in progress during fiscal year 1957. This is an increase from the previous fiscal year, when projects underway totaled $14,117,000.

It was a year for breaking highway bottlenecks—physical, legal, and financial.

The Nuuanu Pali Highway's tunnel section was dedicated May 11, 1957, with a colorful celebration which attracted thousands. The route had been under construction 21 months. Its completion ended a morning peak-hour "log jam" on the Territory's most overloaded commuter route.

The Territory broke a legal bottleneck on the Nuuanu Pali Highway in December in acquiring 7 acres from the estate of Mr. and Mrs. A. Lester Marks for $624,750. The Attorney General's office had ruled that the Territory could buy the 7 acres in order to obtain 2 acres needed for highway rights-of-way.

The settlement ended a rights-of-way dispute which had held up construction of the Carter's Corner-Reservoir No. 4 section for 7 years. As the fiscal year ended, clearing for the project was well underway.

Congress approved Hawaii's $50 million gas tax revenue bond issue in July 1956. The first bonds, totaling $12,500,000, were sold in October.

The bond sale broke a financial bottleneck, although their sale found the short-staffed Highway Department without a backlog of plans. In order to accomplish our $80 million highway program by 1961, we are calling on the services of private consulting engineers to a greater extent than ever before.

Four private consulting engineering firms now have contracts to prepare plans for Territorial highway projects. In the 1958 fiscal year the dollar volume of projects underway will begin to show the full impact of our increased financing.

To keep pace with increased highway work, the Rights-of-Way Division increased its staff from 26 to 32 persons during the fourth quarter. The proposed new urban highway construction will be costly in terms of land acquisition. For example, the estimated $2,339,000 total cost of the Nuuanu-Miller unit of Vineyard Thoroughfare includes an estimated $1,700,000 for land. Vineyard Thoroughfare will be a feeder-distributor circulating traffic between Lunalilo Freeway and the downtown Honolulu business district.

The Federal Bureau of Public Roads has approved the use of Federal aid for all of the remaining sections of the Kalihi Valley Road (Likelike Highway), except for the tunnel sections. Accordingly,

the Territory has taken over from the city and county of Honolulu the responsibility for completing the approach road system.

Under the stepped-up program, these approaches should be completed by 1961. The city-county, rather than the Territory, will continue to supervise the present Wilson Tunnel contract and will finance and supervise the parallel bore.

The tidal wave of March 9 posed a serious highway emergency on the Island of Kauai in the Hanalei district. Damage to bridges on the secondary Federal-aid system left seven communities stranded.

The Governor proclaimed a state of emergency under the terms of section 118 of the Federal-Aid Highway Act of 1956. After the Secretary of Commerce concurred in this proclamation, highways and bridges damaged by seismic waves became eligible for repair and reconstruction with Federal-aid participation.

The Highway Department reconstructed the three bridges across the various channels of the Wainiha River by March 31, or within 10 days after the start of construction. Army engineers provided a Bailey Bridge across Kalihiwai Stream.

The $7,150,000 accelerated highway program for Kauai must be revised to provide for realinement of the Belt Road in the Kalihiwai, Hanalei and Wainiha districts. The three new sections will total about 6 miles and cost about $1,744,000.

Section 118 provides an additional allocation for new permanent construction to replace the damaged portions. This allocation, like the one for emergency repairs, must also be matched dollar-for-dollar.

Prospects are that the matching money will come from funds already allocated to other needed highway projects under Kauai's 6-year program.

On Maui, the latest project on the Lahaina-Wailuku Road was nearing completion at the fiscal year's close. The 4.5-mile job will extend the new, two-lane road from Launiupoko, end of a previous Federal-aid improvement, to the Mala Harbor district beyond Lahaina.

After completion of this contract, the 21.7-mile drive from Maui's county seat to the historic little whaling port of Lahaina should become even more popular with tourists. They will then be able to drive over a highway constructed to Federal-aid standards for all but 2 miles of the way. The exception, a stretch of county road just south of Wailuku, is in fairly good condition.

General Public Works.—General public works projects totaling $4,848,431.60 were underway in fiscal year 1957 under supervision of the Building Division.

These 37 nonhighway projects either reached completion or went under contract during fiscal year 1957. Not included in the total are seven airport projects, which were supervised by other divisions.

The University of Hawaii's campus accounted for 10 of the 37 general public works jobs and nearly $2 million of the total cost. Six of the projects, totaling about $460,000, were for Hawaii National Guard facilities.

Largest contract of the year was the University's new physical education building, which is expected to cost about $541,000 when completed.

The most unusual project to reach completion during the year was the first unit of the new Hawaiian Village in Hilo, Hawaii. Seven thatched houses, built according to the finest Hawaii standards of 1820, were a part of the contract.

On Maui, Olinda Prison's new administration offices and dormitories were nearing completion.

Airports.—Seven airport construction projects, totaling $1,045,070, were under contract in fiscal year 1957.

During most of the year, these projects were under the supervision of a separate Airport Division. On April 1, 1957, this division was abolished and airport projects became the responsibility of the new Engineering Division.

Largest airport project underway during the year was a $577,000 contract for stockpiling subgrade material for the proposed new Honolulu-International Airport terminal. A passenger-freight terminal building at Molokai Airport was completed at an estimated final cost of $221,550.

Hawaii Aeronautics Commission

The Commission concentrated its time and efforts during most of the year on the completion of the master terminal site plan for Honolulu International Airport embodying development of a jet age airport and a modern passenger terminal building. The Commission held several meetings with the Air Lines Technical Committee representing airlines serving Hawaii, the Department of Public Works, the Civil Aeronautics Administration, and other users to develop this plan which was approved in September 1956.

Outstanding feature of the terminal site plan is the proposed passenger terminal building which will be constructed on the north side of the field near the area now occupied by Hawaiian Airlines, Ltd. The new terminal will be made up of four separate units. The main unit consists of the overseas departure section and an administra-

tion building. The administration building will provide office spaces for the Commission, the Civil Aeronautics Administration, Weather Bureau, various overseas airlines, and other users. The airport control tower will be located on the two top floors. The ground floor areas will be the overseas departure section. The restaurant and the public lobby will also be located in this section. The three other units include a domestic overseas arrival section, a foreign arrival section, and an interisland section.

The terminal site plans also provide space for other facilities, such as cargo and freight buildings, aircraft servicing and maintenance areas, aeronautical school, automobile service station, auto parking area for 4,200 cars, lei stands, and a heliport.

The development of the new terminal site will be financed through airport revenue bonds, Territorial general obligation bonds, and Federal funds. The Commission contracted the services of Lockheed Air Terminal, Inc., for a study on the financial structure of the Commission and to recommend changes in rates and charges for the use of airport facilities so that future revenues will be adequate for the refunding of the obligations incurred in the construction and development of the new airport.

The Territorial Legislature enacted three joint resolutions to implement the development and expansion of Honolulu Airport. These resolutions are now before Congress and when enacted will authorize certain land exchanges between the Territory, the United States Navy and the United States Air Force for the development of the Honolulu International Airport complex (comprised of the master plan development of Honolulu International Airport by the Territory, Hickam Air Force Base by the United States Air Force and Keehi Lagoon by the United States Navy), will authorize the issuance of $14 million aviation revenue bonds by the Commission, and will allow the Commission to lease land for a maximum period of 65 years.

Appraisal of the Damon Tract area needed for the expansion of the airport has already been completed. Condemnation proceedings to acquire land will be instituted shortly by the Attorney General.

Preliminary work for the site preparation of the proposed terminal building has already been undertaken with the stockpiling of coral fill to be used for filling and grading, and the demolition of buildings in the Naval Air Facility area.

Runway 14–32 at Honolulu International Airport was permanently closed in order to permit the United States Navy to utilize the south end of the runway and the adjacent area for the repair and maintenance of Navy radar planes by Lockheed Aircraft Service. This is one of the existing runways to be phased out in the development of

the jet age airport and its closing does not curtail aircraft operations at the airport.

Title to Kahului Airport on Maui was officially transferred to the Territory in December 1956, when quitclaim deed authorized by Public Law 377, 82d Congress, was executed by the Navy Department. Kahului Airport is made up of 1,335 acres of land acquired by the Navy for $467,000 and developed into a major naval air facility at a cost of $28 million.

Transfer of the airport and all improvements thereon to the Territory will permit the Commission to proceed with the further development of this airport, including the construction of a new control tower to replace the interim control tower and installation of a permanent runway lighting system. The Department of Public Works has been authorized to proceed with final plans for the new construction. Both projects will be financed with Territorial and Federal-aid funds.

The Commission also accepted a deed from Hana Ranch Co., Ltd., for 19.8 acres of land adjacent to Hana Airport for the ultimate expansion of that airport.

Construction of a new passenger-freight terminal building for Molokai Airport at a cost of $240,000 was completed and the new facility was put into operation in June 1957.

A public hearing was held by the Commission at the Kohala Courthouse concerning the status of Upolu Airport. The hearing was attended by representatives of the Department of Public Works, Civil Aeronautics Administration, members of the Territorial Legislature, county officials, representatives of the interisland airlines, community leaders, and other interested parties. The Commission explained that the airport although usable is now in very poor condition and would require general repair, drainage improvements and runway reconstruction which would cost a considerable amount of money. All those who spoke at the hearing were unanimously in favor of keeping the airport in operation. The Commission authorized repairs to a damaged portion of the runway and continuation of the airport in operation.

Our Territorial airport system continued to show increases in traffic volumes. Aircraft operations at Honolulu International Airport increased 26 percent over the preceding year, to a total of 245,046 takeoffs and landings. The airport was ranked with those on the mainland United States for the first time in calendar year 1956 by the Civil Aeronautics Administration in its Federal Airways Air Traffic Activity report and placed 18th in this category. Aircraft operations at neighbor island airports went up 16.7 percent.

Overseas passenger traffic showed an increase of 19 percent for an estimated 385,300 outgoing, incoming, and through passengers. In-

terisland passenger traffic showed a gain of 4.1 percent for a total of 653,147 passengers.

Revenue from the aviation fuel tax amounted to $1,286,373 and other revenue amounted to $612,444 from fees, rentals, and other charges, $245,823 in Federal grants and $1,773 from other sources.

Expenditures for the year amounted to $1,192,737 for operating expenses, $772,770 for improvements and capital projects, and $57,840 for bond redemption.

Board of Harbor Commissioners

The gross earnings of the Board of Harbor Commissioners for the fiscal year were $2,049,774 as compared with $1,806,506 in the preceding year. New construction during the year amounted to $415,283, made up mostly of small jobs around $20,000 to $30,000 with the new fender installation at Kaunakakai, Molokai, at $108,468 and the electric service installation at Piers 8, 9, 10, and 11, Honolulu, at $84,872 adding to the total. The Kawaihae deep draft overseas harbor is progressing, the causeway and dikes having been completed and the contract let by the United States Army Engineer for dredging the entrance channel and turning basin. Plans are in preparation by the Harbor Board for the shoreside facilities for which a $1 million revenue bond issue has been authorized by the Territorial Legislature. The new passenger terminal for which revenue bonds were also authorized is on the drawing boards.

The following is a comparative tabulation of the inward and outward overseas vessels and cargo tonnage for the fiscal years 1956 and 1957:

Port	No. of vessels		Inward cargo tons		Outward cargo tons	
	1956	1957	1956	1957	1956	1957
Honolulu	1,045	1,304	2,878,710	3,044,269	1,144,962	1,292,319
Hilo	223	276	312,835	312,597	486,021	499,684
Mahukona			615		32,233	
Honokaa					19,610	23,184
Kahului	192	208	207,093	204,991	452,312	456,614
Kaunapuli			23,254	27,702		
Port Allen	109	97	71,989	71,360	55,645	52,570
Nawiliwili	147	142	74,255	75,161	313,673	306,941
Totals	1,716	2,027	3,568,751	3,736,080	2,504,506	2,631,312

Operations at Mahukona Wharf terminated in December of 1955.

Passenger arrivals by surface transportation registered a total of 35,188 or an increase of 34 percent over the preceding fiscal year.

Public Utilities Commission

There developed, during the year, a noted increase in the demand for staff services in the field, due to:

(*a*) The rapid suburban growth. Especially on the island of Oahu, many questions regarding motor vehicle transportation (public) were raised, calling for investigations and rate studies.

(*b*) The fact that most of the electric energy throughout the Islands is developed by steam plants using fuel oil for combustion, and the unprecedented rise in the cost of this oil has required many extra account studies to establish relief in the form of "fuel oil clauses" in certain contracts and applying to certain rates.

(*c*) The fact that the utilities in the Territory are very progressive and equally determined to provide the ultimate in service has resulted in the need for additional capital expenditures resulting in countless hours of financial studies with regard to increasing the capital structure of certain companies.

The formation of the Hana Light & Power Co., Ltd., as a separate company, divorcing itself from Hana Ranch Co., Ltd., will solve some of the problems in that district. Another Maui improvement was the extension of service to Lahaina by the Maui Electric Co., Ltd.

On Kauai an agreement between the Waiahi Electric Co., Ltd., and the Hawaiian Homes Commission paved the way for the extension of service into the Anahola area.

On the island of Hawaii, purchase power agreements between Hilo Electric Light Co., Ltd., and the Hawaiian Agricultural Co., the Hutchinson Sugar Co. in the Kau District and Honokaa Sugar Co. on the north end of the island, assure the users in those respective areas of a dependable supply of energy.

On Oahu, the Hawaiian Electric Co., Ltd., continues to push its well-planned development program.

Authorization to increase the B. T. U. in the butane system operated by Honolulu Gas Co., Ltd., was granted and will result in more efficiency and less adjustment and upkeep of gas appliances served.

The Hawaiian Telephone Co. continues to push out its extended area dial service and has discontinued all toll service on the islands of Maui and Kauai and over three-fourths of the islands of Oahu and Hawaii. The islands of Lanai and Molokai are completely on dial operation. In addition to the development in local service, it is expected that the tremendous task of laying a transpacific cable between Hawaii and the west coast will be completed this fall.

The Honolulu Rapid Transit Co., Ltd., has completed its trans-

formation in developing an up-to-date motor coach service throughout its system. It has acquired and put into operation in June, 75 new buses at a cost of over $2 million, thereby eliminating its electric trolley system.

LABOR

Labor and Industrial Relations

Industrial relations in the Territory continued to progress toward a higher level of stability during the past year. With employment at its postwar high and the construction and tourist industries increasing tremendously in volume, labor disruptions of any major significance were relatively few. A total of 16 work stoppages causing an estimated 18,000 man-days of idleness were recorded for the fiscal year, of which three were of short duration involving the sugar, pineapple, and stevedoring industries' employees in a protest action that accounted for 10,000 or 56 percent of the man-days idle.

Following is a brief report of the activities of this department, by divisions, for the fiscal year ended June 30, 1957.

Bureau of Employment Security.—Employment in the Territory of Hawaii which rose to a postwar high in 1956 continued to set new records in fiscal year 1957. Total employment averaged 196,400, an increase of 4,000 from the monthly average of fiscal year 1956. Employment increases were registered in virtually all industries, primarily on the island of Oahu, with the most substantial gains in the construction and service industries. The latter reflected for the most part expansion in hotel facilities and employment. Local government, transportation, trades, finance, and manufacturing (excluding food processing) recorded moderate increases during the past 12-month period. The only losses were in the sugar industry which was primarily due to the continued changeover from manual to mechanized operations; and in Federal Government which declined slightly at the end of the year.

Fiscal year 1957 was also one of decreased unemployment with average monthly unemployment down from 9,364 in 1956 to 8,272. Unemployment in May dropped to the lowest level in 5 years, 3.7 percent of the labor force, then reversed its trend with entry into the work force of graduating classes on all islands. June unemployment totaled 9,100 or 4.4 percent of the labor force. Although a rise in unemployment always occurs in June, the increase was less substantial than in any previous year notwithstanding a record number of graduates from the private and public high schools.

Payments of benefits to jobless persons were reduced in all three

benefit programs during the year. Unemployment insurance benefits totaled $2,808,241; payments to veterans under the unemployment compensation for veterans program totaled $313,702; and payments to former Federal civilian workers totaled $312,277.

At the close of the year the trust fund balance was $22,540,418 which is $655,083 higher than at the end of the previous year. The number of employers subject to the Hawaii Employment Security Law continued to increase and as of June 30, 1957, totaled 9,003 as compared with 8,960 in June of 1956. Wages paid by these employers totaled $342.9 million—$23.2 million more than in 1955. The average weekly wage continued to increase, and rose from $60.13 in 1955 to $61.58 in 1956.

The 1957 Legislature transferred the collection of unemployment insurance contributions from the Territorial Tax Commissioner to the Director of Labor and Industrial Relations and added much-needed lien and distraint provisions.

The enactment of a new chapter called the "Agricultural Unemployment Compensation Law" extended unemployment insurance to certain farm workers. Under this law, contributions will be payable on wages paid after July 1, 1957, and benefits will be payable after July 1, 1958. In general, employers covered are those who employ 20 or more persons in agricultural employment on each of 24 days in four successive calendar quarters and who are subject under the industrial unemployment insurance law. Employees entitled to benefits under this new law must work for the same employer in agricultural employment some portion of a day in each of 30 weeks during the 12 calendar months preceding their claim date.

Bureau of Research and Statistics.—The Honolulu consumers' price index reached an all-time high in June 1957, and at the close of the year it stood at 147.7. March 1943 is used as the base period of 100. During the 12-month period under review the index reflected a gain of 1 9/10 percent, the largest increase reported for a fiscal year since 1952. All component groups registered increases this year ranging from 6.2 percent for fuel and light to four-tenths of 1 percent for the food and clothing groups.

A new Government service was added to the operations of the bureau by the 29th Legislature which provides for assistance to employers and employees of small firms in obtaining the same group insurance benefits that are available to large organizations.

Bureau of Workmen's Compensation.—Workmen's compensation services in the Territory of Hawaii operated successfully during the fiscal year with employees, employers, unions, and the bureau staff joining in a concerted effort to hold the line on industrial injuries.

The total number of industrial accidents for the year was 22,020, a slight increase of 4.3 percent over the previous year.

This outstanding record was made in the face of a tremendous increase in the so-called hazardous operations of the construction industry as well as a gain in the mechanization of agricultural operations. It was made possible by an augmented accident-prevention program in which industry, unions, local government agencies and the United States Department of Labor participated.

Two additional positions have been authorized in the Industrial Safety Division. With this new personnel it is hoped to enlarge the accident-prevention program to include safety inspection of elevators, boilers, and unfired pressure vessels.

Hawaii workers enjoy the benefits of one of the most liberal workmen's compensation laws in the United States. The 1957 Legislature raised the weekly maximum for death or disability to $75 and set the total compensation at $25,000 instead of $20,000.

Bureau of Labor Law Enforcement.—Hawaii reached a milestone of special significance in the field of wage and hour legislation during the 29th legislative session. The Hawaii Wage and Hour Law, which extends coverage to men and women alike, now sets a minimum hourly wage of 90 cents on Oahu and 85 cents on the neighbor islands, with payment for overtime after 44 hours in a workweek. Commencing July 1, 1958, the statutory minimum will be $1 throughout the Territory with overtime for hours in excess of 40 in a workweek. Hawaii leads the Nation in that coverage is also extended to agricultural workers whose employers employ more than 19 persons. Enforcement of this law during the year resulted in obtaining $41,791.76 in back pay for several hundred employees. Investigations were largely confined to areas where the most results could be obtained for employees.

Emphasis was placed on the enforcement of the law relating to wages and hours of employees on public works. This law being relatively new and lacking precedent material, a complete review of procedures and the writing of a new procedures manual was undertaken. Back wages found due to employees under this law amounted to $16,459.38 as compared to $3,003 for last year. A study was also conducted during the year to appraise the dollar volume of public improvements projected in the Territory of Hawaii for the years 1957, 1958 and 1959. This study revealed that approximately 524 capital improvement projects with an involvement of approximately $153.5 million are planned for this period, an indication of the enforcement task confronting this bureau. A total of 966 establishments were investigated for compliance with both the Hawaii Wage and Hour

Law and the law relating to wages and hours of employees on public works.

Under the Emigrant Agent law, which governs the licensing of persons engaged in the recruiting of workers for employment outside the limits of the Territory, the bureau issued eight new licenses and renewed seven old licenses. Twelve field investigations were conducted under this law to determine coverage as well as compliance.

A total of 7,642 minors were certified for employment this fiscal year, a decrease of 10 percent when compared to the total issued the previous year. This drop is attributable to the late start of the pineapple harvesting and canning operations this summer. The bulk of this summer's hiring of minors will be reflected in the next annual report. Three hundred twenty-four inspections for child labor compliance were completed. Thirty-five establishments found in violation were brought into compliance.

Four hundred sixty-seven wage claims were filed for a total dollar volume of $54,390.23. Three hundred eighty-one claims totaling $43,638.24 were disposed of during this period. The construction industry is still the most prolific source of wage claims, having accounted for 154 of those filed this year. The percentage of claims referred to the Attorney General's office increased to 26 percent of total claims filed as compared with 15 percent last year.

Apprenticeship Division.—Continued gains were recorded by the Territorial Apprenticeship Council during the fiscal year ending June 30, 1957. New apprentice registrations increased 27.5 percent over the preceding year and a record number of 105 new journeymen received their completion certificates. Registered apprentices in training at the close of the fiscal year totaled 568, a 6 percent gain over the last fiscal period.

The chief factor contributing to the expansion of apprenticeship training has been the high volume of construction work in the Territory. Approximately 75 percent of the apprentices registered during the year entered the building trades, with electricians and carpenters accounting for over one-half of this total. In spite of the increase in registrations, applicants for apprenticeship fall considerably short of the demand, particularly for carpentry, and the Apprenticeship Council recommends that greater effort be directed toward encouraging high school graduates to enter the skilled trades. Careful selection and thorough orientation of beginning apprentices by employers are also suggested as ways to reduce turnover and to help maintain the required level of qualified workers in the building and construction industry.

PERSONNEL AGENCIES

Department of Civil Service

Interest in public personnel and in employee welfare reached a peak during the recent session of the 1957 Legislature. The trend towards a greater awareness of the relationship between employee welfare and morale to work productively was clearly exhibited by legislators, management, employee unions, and the public. This greater awareness was manifested by numerous proposals for amendatory legislation on personnel matters and by the diversity of interest groups sponsoring proposed legislation.

Projects completed in the various areas of public personnel during the fiscal year reflected some of the effects of the complete revision made of the civil service, classification, and compensation laws by the 1955 Legislature.

One of the major projects completed was the classification survey of 1,529 separate positions in the clerical and allied classes. Of the 1,529 positions, 46.63 percent were reallocated upwards, 16.55 percent were reallocated downwards, and 36.82 percent left at status quo.

The project of repricing the various classes of work in the three neighbor island counties was shared with the city and county of Honolulu. Before repricing the classes of work, it was necessary to conduct a classification survey of positions. Both the classification and repricing work on the Territory's share of 1,816 county positions was completed by June 30, 1957.

Because the Compensation law had been revised in total, it was necessary to adopt new compensation rules. To secure as much uniformity as possible, the Territory and the four counties met jointly on three occasions to resolve significant differences. Late December 1956, the compensation rules for the Territory were adopted.

In January 1957, Territorial employees began to receive longevity pay increases for the first time. However, in authorizing longevity pay, the 1955 compensation law granted employees service credit retroactive to the date they reached the maximum step. Including back pay for some, a total of 377 employees started the calendar year at longevity pay rates. This number represented 6.6 percent of the 5,681 employees in the civil service at the end of the year.

The second salary survey was also conducted jointly with the Hawaii Employers Council and the city and county of Honolulu. The Hawaii Employers Council furnished the majority of the staff needed. Positions in 296 firms which employed about 57,000 persons were included in this salary survey. Much needed data on 67 classes of work which embraced 21,000 workers were obtained.

A total of 276 examinations were advertised as being open to competition by the public. Compared to the previous year, 101 fewer examinations were advertised. Responsible in part for this reduction was the use of a general service entrance examination. This examination was devised to determine the potential abilities of university graduates. Graduates passing this examination were eligible for employment at the entry or trainee level for 1 or more of 20 classes of work, depending on their major courses of study. The use of this service entrance examination has attracted more university graduates to the Territorial service, has lightened the examination workload, and has reduced the delay in filling vacancies.

As in the previous year, labor shortages continued for stenographers, engineers, draftsmen, librarians, psychologists, and medical and psychiatric social workers. Also, a growing labor shortage in other areas became apparent. There has been a lack of skilled tradesmen such as plumbers and electricians and a lack of office machine operators such as bookkeeping machine operators, key punch operators and tabulating equipment operators.

During the year, there were: (*a*) 2,297 new hirings; (*b*) 1,908 separations; (*c*) 473 promotions; (*d*) 317 transfers within the service; (*e*) 344 leaves without pay granted; (*f*) 270 returns from leaves without pay and (*g*) 20 suspensions.

In special session, the Legislature adopted a new salary schedule which gave pay raises to Territorial as well as county employees. This new pay schedule took effect on September 1, 1956. During its recent session, the Legislature increased pay rates further by a $10 across-the-board increase to be effective as of July 1, 1957.

At the request of Territorial departments, a concentrated one-day training session for 164 first-line supervisors was held. Also attending this training session were 40 department heads. The theme for this training session was What is the Role of the Supervisor in Planning, Organizing, and Evaluating the Work of His Employees?

To increase the flow of information to department heads and supervisory personnel, a monthly newsletter was published and given wide circulation. Judging by the requests for additional copies, this medium of communication has been well received.

Employees' Retirement System

Upon completion of its 31st year of operation, the Employees' Retirement System of the Territory of Hawaii now includes in its 20,405 active members practically all of the employees of the Territory and its political subdivisions. Exceptions are the civilian employees of the National Guard who are expected to be brought into

the system as of January 1, 1958, and a few hundred per diem employees of some of the counties who are gradually being converted to a monthly pay basis and compulsory system membership.

There were 1,476 beneficiaries on the monthly retirement rolls as of June 30, 1957, and monthly disbursements on that date amounted to $129,714. In addition, $1,050,122.39 in other benefits was paid to beneficiaries under the various provisions of the system during the fiscal year. These figures do not include minimum pensions and bonuses, which are disbursed by the system but are not paid from system funds.

Assets of the System on June 30, 1957, totaled $108,995,950.17, of which $99,780,461.41 is invested in a high-grade portfolio of securities, the balance being in accruals and receivables. Net earnings on investments for the fiscal year totaled $3,219,916.10.

The 29th Legislature adopted a plan by which members of the system on June 30, 1957, had the option of accepting class A membership which provides for integrated costs and benefits with the provisions of the Federal Social Security Act; all new members being required to accept this plan. In a poll of the membership, 12,084 members indicated their desire for class A membership with social security coverage and it is anticipated that an agreement with the Secretary of Health, Education, and Welfare will be concluded prior to the close of 1957. It is believed that this integrated plan will provide a well-rounded coverage for members and their dependents.

The Legislature also made drastic changes in the law relating to the retirement of firemen and policemen, providing higher benefits at an earlier retirement age and improved disability benefits.

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